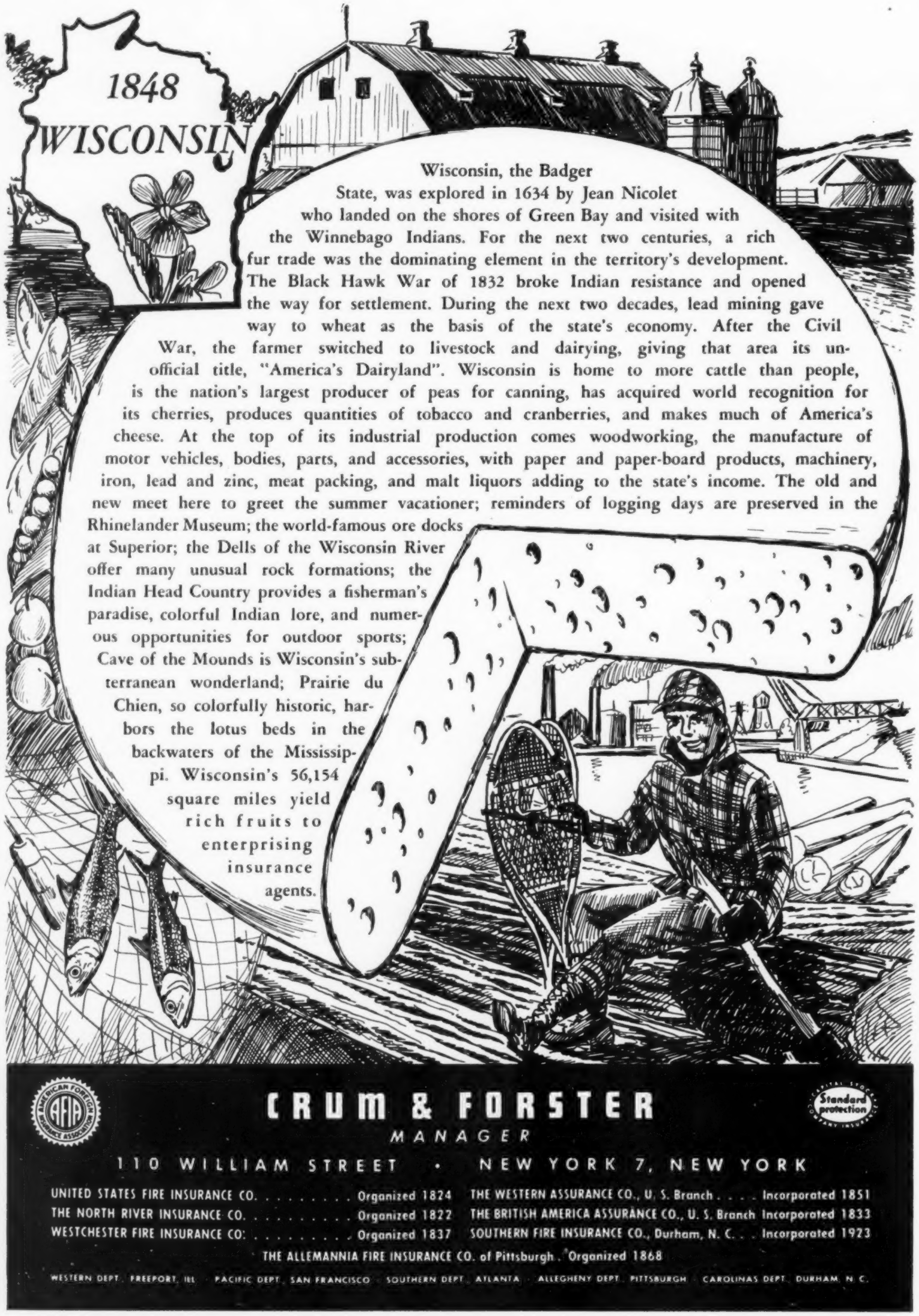
The NATIONAL UNDERWRITER

THURSDAY, JULY 27, 1950



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WEEKLY NEWSPAPER OF INSURANCE

The NATIONAL UNDERWRITER

July 27, 1950
54th Year. No. 30

War Boosts Interest in Deductible for Comprehensive

Loss of Adjusters to Armed Forces Stirs Search for Remedy

NEW YORK — The threatened loss of many of the younger adjusters to the armed forces has brought renewed interest in a deductible provision in automobile comprehensive as a means of cutting down claims work in this field to a point where it can be handled by war-curtailed staffs.

One of the large companies has made a study which indicated that its claims under comprehensive would be reduced by close to 35% if its policies contained a $25 deductible.

Producers have expressed interest in the plan, too. Many brokers and agents have found that the time their offices spend in handling small comprehensive claims is fantastically out of proportion to their monetary importance.

$25 Regarded as Right Figure

Discussions of a comprehensive deductible, in both home office and field, seem to indicate that $25 would be the right figure.

Claim executives who favor the deductible point out that it would not only save many man-hours but would largely eliminate the unhappy public relations situation that prevails in the settlement of many vandalism and malicious mischief claims.

At present, many automobile physical damage claims are put in under the vandalism and malicious mischief damage cover that really belong in the collision category. In some cases the insured is just trying to avoid the collision deductible but it often happens that the claimant sincerely believes that he has a genuine vandalism or malicious mischief loss.

The general practice is to have an adjuster go out on all malicious mischief or vandalism claims even though the company's practice may be to have an agent or a trustworthy repair shop take care of minor claims, such as glass damage. There is nearly always the possibility that the loss may actually be due to collision.

Often it is by no means obvious that the damage was actually caused by collision. For example, it is hard to tell whether a gouge in the paint on the side of a car was caused by a youngster with a sharp instrument or by another car.

PETTY CLAIMS

Even in claims where it is pretty obvious to the adjuster that the damage must have been caused by another car the insured may feel that he is being unfairly treated and may be sufficiently resentful so that he becomes a breeder of ill-will toward insurance whenever the subject comes up in conversation thereafter.

Another bad feature of having the large number of claims that results from having full coverage in comprehensive is that it tends to make the

(CONTINUED ON PAGE 10)

Rhode Island Now in Permanent Receivership

Thomas J. Meehan, Rhode Island director of business regulation, has been named permanent receiver of Rhode Island Ins. Co. by Judge Patrick P. Curran in superior court.

The appointment of Mr. Meehan, who has been temporary receiver since July 7 to preserve the "existing insolvency" of the company, was made over the objection of Pioneer Equitable, the largest stockholder in Rhode Island. Pioneer Equitable has 223,289 shares of class A preferred stock and has asked the court to hold up permanent receivership for 30 days to allow it to intervene as a party in the proceedings.

When the court ruled the receivership petition came first, Pioneer Equitable withdrew its intervention petition "without prejudice" to any further intervention.

Pioneer Questions Authority

The receivership petition put in by the company July 7 denied that Rhode Island was insolvent, and this view was accepted in Judge Curran's initial decree. However, officials state that refusal of California and other states to issue new licenses has substantially reduced sales.

As receiver, Mr. Meehan is empowered to act for the company, including the writing of new business.

Counsel for Pioneer Equitable in objecting to the permanent action stated that he doubted whether the court has the power to appoint a receiver in view of the company's solvency being admitted in the bill of complaint in temporary decree. If the appointment was legal, he added, then Pioneer also objects to the receiver "suggested by both the respondent and complainant, and, strangely enough, by the attorney general's office."

APPROVE REWRITING IN CAL.

LOS ANGELES—Following the permanent receivership order and postponement of the hearing on petition of Commissioner Downey of California for a liquidation order of Rhode Island in California, the question of allowing immediate pro rata cancellation of existing Rhode Island policies permitting rewriting for the unexpired term on a pro rata basis has come to the front. Commissioner Downey has authorized such rewriting. Mr. Downey made the following statement:

"With respect to the propriety of other companies writing coverages on risks now carried by the Rhode Island on a pro rata basis for the unexpired term, under normal circumstances such action could conceivably be contrary to express non-discriminatory and rebating provisions of the California rate regulatory act. However, in view of the multitudinous problems raised as a result of the difficulties in which the Rhode Island finds itself, and the extent of the public interest therein, it is the policy of the California insurance department to avoid taking action based upon extremely technical interpretations of the act. It is our view that the act was not intended to govern wholesale cancellations where it appears that the consideration motivating an insurance company in taking such action, otherwise open to criticism, is the protection of the insuring public in what may be termed an emergency situation. Accordingly, and assuming that the action to be taken is for the purpose of avoiding unexpected loss to assureds innocently involved in the Rhode Island

(CONTINUED ON PAGE 10)

America Fore Report on First Six Months

Premiums written by America Fore group in the first six months of this year were $110,464,909. For the first half of 1949 the premiums were $117,930,222. In the report on the first six months, America Fore companies as a whole show an underwriting profit of $7,642,569 compared with a profit of $11,934,269 in the first half of 1949. Assets as of June 30 for all companies are $652,995,440, an increase of $16,391,271 over the figure of Dec. 31, 1949. Investment income for all companies was $18,179,712 for the six month period.

Although underwriting profit for the group for the first six months declined about $4,300,000 as compared with the exceptionally good results of 1949, all of the companies show excellent results.

Continental as of June 30, had assets of $218,592,357 and net surplus of $116,568,962. Premiums written were $31,367,389 and the earned figure is $31,047,509. Premium reserve increased by $319,880. The company showed an underwriting profit of $3,277,323 and net investment income of $3,667,924.

The semi-annual statement of Fidelity-Phenix shows assets of $187,031,042 and net surplus of $101,092,822. The company had written premiums of $26,183,167, losses of $12,192,949 and an underwriting profit of $2,875,325. The unearned premium reserve increased $481,116. Net investment income was $2,843,074. Both Fidelity-Phenix and Continental the early part of this year declared stock dividends of $5 million.

Niagara on June 20 had assets of $58,344,695. Premiums written were $9,783,592 and the premium reserve increased by $269,722. Losses were $4,327,866 and the underwriting profit was $718,873. Net surplus amounted to $28,651,427 and investment income was $1,068,967.

American Eagle assets on June 30 were $48,961,515. Premium reserve increased $176,111 on premiums written of $7,298,760. Underwriting profit was $889,384 and net investment income was $902,787. Surplus as of June 30 was $22,989,079.

Fidelity & Casualty in its midyear report shows assets of $135,436,169 and net surplus of $42,973,212. Premiums written were $35,832,001 and the premium reserve increased by $2,667,927. The company had an underwriting loss of $118,336 and losses paid amounted to $19,358,839. Investment income of Fidelity & Casualty was $2,053,714.

Based on market quotations, net surplus for the companies as a whole in the six months increased $5,870,414 and is divided roughly to about $1 million per company.

Named in Ore. by Superior

Superior of Dallas has been licensed in Oregon and has appointed the Preferred General Agency of Portland as general agent for the state. E. W. Eggen is president and general manager of the Preferred agency.

Young, House in New Posts

J. Hayden Young, who has been with the S. F. Neblett agency of Houston, has been appointed fire underwriter at Houston for National Automobile & Casualty.

William H. House, Jr., who has been with Traders & General as special agent in southwest Texas, has been appointed special agent for National Automobile & Casualty in the same territory with headquarters at San Antonio.

Estimate $1 Million Loss from Lima Tornado, July 19

Two Week Old Outdoor Theater Screen Is Nearly Demolished

Insurance loss resulting from the tornado which struck Lima, O., July 19 will run approximately $1 million. The storm, which lasted only 10 minutes, caused extensive damage to about 300 houses; lifted off the roof and caved in a wall of the Lennox Furnace Company's one-story brick plant, and nearly demolished the Sharon Drive-In Outdoor Theater. All told, there will be about 900 losses.

Of most interest to insurance people is the loss to the outdoor theater. Underwriting of this type of risk has been watched very closely by some companies and those that are more liberal have watched their retentions carefully. However, the greatest hazard until now has been considered that of fire, since outdoor theaters are in unprotected areas.

The Sharon theater screen support was constructed of steel columns and beams set in a concrete base. The screen was made of 3/16" transite with 2"x6" wood nailing strips. It was 50 ft. high and was considered to be the best constructed in the area. The theater had gone into operation on June 30 of this year.

Insurance was written through the McGough agency of Lima, with $24,000 blanket on screen, tower and concession stand, and $10,000 on contents. There is $32,000 business interruption gross earnings form with 80% coinsurance. The insurance was in Fireman's, Transcontinental, Home and Mayflower. The property damage is estimated at about 80%.

The pictures on page 4 show vividly the force of the storm. The newspapers said the tornado had a wind velocity of 60 miles an hour, but loss men believe it must have been much greater than that to do such extensive damage.

The top picture was taken two hours after the storm from the rear of the theater screen. The second shot is from the left front and shows some of the steel beams bent 90 degrees at the base.

In the residential area of Lima, a number of houses had roofs lifted off. Extra adjusters have been sent to the town and it is thought that all claims will be cleared up in a few days.

CINCINNATI LOSS MINOR

Windstorm losses in the greater Cincinnati area are not expected to be too high from the storm which struck the city last week. Local adjusters stated that trees, awnings and storm doors were the chief sources of claims. The losses were running an average of $50 to $75.

Hardest hit were the farm and outlying districts where high winds, gauged at about 60 miles an hour, left an unestimated amount of damage.

A huge plate glass window at the Trans World Airline office in Cincinnati was blown out. The window, said to be the largest in the city, was believed to be insured in Kansas City.

Contingent, Premium Adjustment B. I. Changes in Ohio

COLUMBUS—The minimum provisional and final adjusted premium for the business interruption premium adjustment endorsement in Ohio has been changed to $500 per account, regardless of term and number of policies involved. The old requirement was $100 per policy for an annual policy, $250 for a three-year policy and $400 for a five-year policy. The rule has also been liberalized to permit reductions in the amount of the policy on an anniversary date without losing the premium adjustment privilege. The old rule provided that cancellation or reduction should be based on the provisional premium, with no premium adjustment. This still applies to cancellations and also to reductions at any time other than on the anniversary date. This is one of a number of changes effective July 29. It is expected that similar action will follow in other midwest states.

The contingent business interruption rate schedule has been completely revamped. Where only one contributing or recipient property is named in the form, 50% of the direct business interruption rate applying to that property under the same or comparable form and coinsurance clause is now charged, subject to the minimum business interruption rate applicable to that property and also to a minimum rate of 5 cents for the 80% gross earnings form, subject to the usual percentage modifications for other forms of coinsurance requirements. Where more than one contributing or recipient property is named in the form, the contingent business interruption rate is 50% of the highest direct business interruption rate applying to any of those properties. The old rule called for the full direct business interruption rate of the plant named, if only a single contributing or recipient property were named.

Drop Work and Materials Clause

The work and materials clause is being dropped from new forms in this territory and reference to it has been removed from the rule book. It has been argued for some time whether this clause is needed with the 1943 New York standard fire policy. The clause gives permission for such use of the premises as is usual and incidental to the occupancy and to keep and use all materials in such quantities as the exigencies of the business may require. The 1886 and 1918 New York standard fire policies had long lists of prohibited articles and substances, which voided or suspended insurance if they were kept without permission, and the work and materials clause served as a blanket modification of these prohibitions to the extent that the occupancy contemplated in the fire insurance rate required such materials.

The 1943 policy has no such prohibitions. The principal argument for keeping the work and materials clause in forms used with it has been that this policy is suspended in case the hazard is increased by any means within the control or knowledge of the insured. Those who believed the clause was necessary or at least advisable felt that some change in the processes of a business, although quite usual to the business itself, might technically increase the hazard and thus be held to suspend coverage, which condition would be corrected by the work and materials clause. It is not believed that this question has ever gotten into court and it is doubtful if it ever will be tested, even with the work and materials clause dropped.

Out for Kan. Commissioner

Lawrence R. Crane, with John Hancock Mutual Life at Wichita since 1945, has announced his candidacy for Kansas commissioner of insurance on the Democratic ticket. He saw service with the army air corps in Europe and was a prisoner of war in Germany for nine months. He was retired with the rank of captain.

Banker Elected President of Mutual Fire of Saco

Following the resignation of L. G. Purmort as president of Mutual Fire of Saco, Me., J. G. Deering, a Saco banker, has been elected president. Mr. Purmort was also general manager and a director of the company.

G. Cony Weston, local agent of Augusta, Me., vice-president and treasurer, and the only officer who had not previously resigned, has now tendered his resignation, as have Governor Frederick G. Payne of Maine and George M. Williamson, vice-president of Merchants Mutual Casualty, who were directors.

The only old director still remaining is Albion M. Benton, Saco local agent. Former Secretary John E. Burnham is acting secretary.

Mutual of Saco has now been taken over by local bankers and they are restoring the money that was discovered lost from the surplus account due to writing a large volume of financed used car business at cut rates.

N. Y. Superintendent

At one time or another, Alfred J. Bohlinger, who succeeded Robert E. Dineen as New York insurance superintendent, has handled practically all the divisions in the department. However, he also devoted much attention to special assignments since he became deputy in 1944.

A. J. Bohlinger

Initially he made a complete investigation of the fire rate litigation in Missouri and perfected a record for the New York department on that case which it had not had before. With the development of S.E.U.A. litigation and all of the consequences that grew out of it, Mr. Bohlinger got into that development very fully. He worked with Superintendent Dineen in the era that led up to public law 15 and was closely concerned with the studies, conferences and negotiations that led to the all-industry rate regulation, a matter of two years.

After participating in a special study of English insurance supervision and practices, Mr. Bohlinger for some time was concerned with departmental activities and then for the past year he has worked on the disability benefits law in New York, helping get it shaped up for operation on July 1.

He conducted the multiple location risk rate hearing, which was the lengthiest in the history of the department, both as to actual time spent and as to record. There were 5,000 pages of testimony and exhibits, and the hearing lasted from 40 to 45 actual working days during a course of something more than five months.

Mr. Bohlinger from time to time sat in on the hearings that were conducted some time ago on the group life definition, representing Mr. Dineen. Also he has worked closely with Mr. Dineen on department legislative matters.

After graduating from law school he joined the law firm of Hartwell & Cabell, which later became Cabell, Ignatius & Lown. James M. Lown was deputy before he left the insurance department to form the law firm. After five years with that firm, he opened his own office in 1929. In 1942 he formed a law firm with Herbert O. Burden, as Burden & Bohlinger.

Urge War Risk Bill Passage at Stormy Hearing

By HENRY HALLAM

WASHINGTON—The marine insurance industry finally got its inning at hearings last week before the House merchant marine committee on the war risk bill to make statements which appear to clear up charges that have been aired since the war by Rep. Weichel, Ohio, and others about the conduct of affairs in the war insurance program of the maritime commission and war shipping administration. Industry spokesmen were Percy Chubb, II, Chubb & Son, who headed the maritime insurance setup during the war, and J. A. Bogardus, president of Atlantic Mutual and American Institute of Marine Underwriters.

Both recommended the pending bill, H.R. 6061, as did also George W. Morgan, president of Assn. of American Ship Owners, and Frazier A. Bailey, president of National Federation of American Shipping, Inc.

Charles E. Johnson, legislative attorney of the general accounting office, opposed the "finality" provision of the bill under which it appeared government officials could make final determination of payments, etc., under the proposed revived war risk program, without providing for adequate audit and possibility of recovery by government from insurance or shipping companies. Representatives of the defense department supported the bill. Johnson said this provision was taken out of a companion Senate bill.

Mr. Bogardus confined himself largely to presenting a resolution adopted by the Institute last September approving "in principle" the pending bill. He said the necessity for passing it is "even more pressing" than when the resolution was adopted.

Corrects the Record

Mr. Bogardus put into the record a copy of a letter he wrote last February to Rep. Bonner, then chairman of a subcommittee on the question of whether government wartime marine insurance operations should be investigated. In this letter Mr. Bogardus corrected several statements made in that subcommittee's report to the effect that the underwriting agents deducted their fees after collecting premiums; the government "largely subsidized or underwrote the syndicates," which was denied; the companies made investment profit on government business exceeding $18,000,000, which figure was declared "grossly excessive"; additional profits from expense allowances for management, supervision and claims service were more than $2,000,000.

Shipping spokesmen protested certain limitations proposed on government authority, and Mr. Morgan proposed several amendments to the bill.

Mr. Chubb, who was prepared to testify at hearings before the same committee last year upon the bill and/or the question of an investigation of war marine operations, submitted a 45-page statement to the committee last week, of which he read a summary. These were accompanied by a chart showing the WSA insurance setup and organization. From this it appeared the government's participation in underwriting profit on the wartimepandi marine risk program was $33,000,000, and government share of profit on wartimehull was $10,500,000. On the war risk program front, the chart showed a credit of $86,-900,000 on war risk operations covering WSA-owned and chartered ships and their personnel, and $7,800,000 profit on war risk insurance sold to private concerns.

Answering questions raised at the hearing, Mr. Chubb said there was legislative authority for the wartime P. and I. and hull programs; that the Attorney General had O.K.'d government payment of premiums for P. and I.; that the expense allowance to the companies did not reflect excessive profits, such allowance being lower than the average expense of ocean marine companies during several war and post-war years; that he had been requested by the maritime commission to help the insurance program, resigned all private connections, and received no compensation for his service.

Answering questions by Rep. Allen, as to whether under the government reinsurance provision of the bill the companies might be less careful than otherwise, Mr. Chubb said the government would reserve the right under the bill to make final determination, but that there would be no harm in putting a specific provision to that effect in the bill. Claims would be paid directly out of the Treasury, he said.

The witness knew nothing about what Rep. Weichel said was a statement of the general accounting office that "seven times the amount" was paid for certain service under the war program. He said the WSA organization rejected the idea of self-insurance.

"How much was appropriated to buy insurance?" asked Weichel. "GAO said there was none."

"There was a revolving fund," answered Mr. Chubb. "No specific appropriation for that purpose. There was a round sum for WSA."

Questions "Reasonable Terms"

Allen wanted to know the meaning of the bill's phrase referring to war risk on "reasonable terms and conditions." Mr. Chubb recalled WSA during the war period reduced rates below the 25% private rate. He said there is no actuarial basis for war risk. In both world wars, he reminded the committee, the government made money on insurance. He thought it "not inconceivable" that high insurance rates might stop the flow of commerce. He said he knows of no method of getting coverage if private companies would not furnish it, except under pending legislation.

Weichel suggested an amendment that no money should be spent except to protect commerce "rather than building up the private insurance business." Mr. Chubb agreed that "would protect the government." He disagreed with Weichel's suggestion, however, that weekly or fortnightly reports to Congress be required under the proposed program. Referring to the wartime rush and pressure, he suggested annual or semi-annual reports would be sufficient, and pointed out that contracts and reports were submitted to Congress in 1945 and WSA representatives had testified before congressional committees during the war period. Weichel complained premiums were not reduced based on war experience.

When Rep. Bonner asked for suggestions to safeguard government interests "if we don't get a good administrator," Mr. Chubb answered: "I think this bill is in the best interests of the government. It's a pretty good bill." However, he promised to take another look at it and submit a statement later to the committee "if necessary." He declared Congress is entitled to detailed information about the program and endorsed particularly the idea of decentralizing its administration.

Admitting "there were mistakes" in the wartime program, Mr. Chubb nevertheless insisted the government got "fair treatment."

4,000 Checks "Lying Around"

"What about those 4,000 checks we hear about lying around?" asked Allen.

"Checks for premiums came down on us like a ton of bricks," Mr. Chubb admitted, when the personnel of the maritime insurance division was very lim-

(CONTINUED ON PAGE 10)

Hilton Documents Economic Value of Sprinklers

The economic aspects of sprinkler protection, especially its influence on insurance rates, were discussed by H. E. Hilton, executive director and counsel of National Automatic Sprinkler & Fire Control Assn., before the fire marshals section of the National Fire Protection Assn. Automatic sprinklers are recommended everywhere but in certain spots they are considered particularly vital, he said. These spots are:

Wherever contents are combustible, including areas where flammable liquids are stored and used; throughout all buildings with combustible roofs or floors, though the construction and contents are not entirely combustible; in combustible concealed spaces, including low attic and roof spaces; in vacant spaces under first floors of buildings with combustible floors; in ovens, drying enclosures, large ducts, spray booths, enclosures where fire is likely to occur, etc.; in small offices, stockrooms, closets and similar enclosures of combustible construction or containing combustible material; whenever the interior construction changes, such as a new partition that leaves areas unprotected, or where combustible storage or construction is introduced into areas where buildings are otherwise non-combustible and automatic sprinklers previously were omitted.

Economic Advantages

The five principal economic advantages of the automatic sprinkler are that when a fire starts, the sprinkler starts and tells everyone it is in action by giving an alarm. Every fire has a small beginning. Sprinklers strike at the seat of the trouble, they locate the fire and only those over the fire operate. They operate in heat and smoke so that they cannot be driven out, though fire fighters may be. They hold the blaze in check. They are always ready at all points. Unnecessary water damage is eliminated.

He illustrated his general theme by a number of specific illustrations, one the Towers hotel at Glens Falls, N. Y., a 78-year old hostelry with 100 rooms which burned earlier this year. The three story structure had a lobby and retail stores on the ground floor. In 1948 it was remodeled for about $250,000 and owners then considered sprinklers but did not put them in. Owner's insurance on the building was $120,000 at $1.87 per 100 or $2,244 annually; lessee's insurance on building, $150,000 at $1.87 for $2,805; lessee's insurance on contents $130,000, $1.98 per 100 for $2,574. Present cost of insurance without sprinklers, $7,623; estimated insurance savings 70%, or $5,336. Cost of insurance with sprinklers $2,287.

Paid For in Four Years

The cost of installing complete automatic sprinkler equipment was $20,000, so that the insurance savings would have paid for the system in four years. There was in addition of course the economic loss of having the hotel out of operation, shops closed, etc.

He also illustrated by citing some laundry properties where sprinklers would provide substantial insurance savings, and then presented a number of examples of properties in various fields. He particularly emphasized the safety factor in connection with all these operations but especially college dormitories, hospitals, and the like. He warned fire marshals that sprinklers save municipalities thousands of dollars in water charges each year and declared that such installation should not be penalized by a tax because of their economic value to a city. The sprinkler preserves the property for taxes and any special levy attached to an automatic sprinkler system discourages their installation and increases fire losses.

Oppose County Self-Insurance

Local agents of Jamestown, N. Y., are rallying supporters to oppose possible self-insurance by Chautauqua county. A resolution to study and investigate a county self-insurance plan to cover fire as well as compensation will come up at the August meeting of the county government. Agents point out that without competent handling and adequate reserves, taxpayers will pay the losses.

William Penn Fire Hearing Set for Aug. 1 at Harrisburg

HARRISBURG, PA. — The Pennsylvania department of justice has set Aug. 1 for a hearing to determine disposition of the suspended William Penn Fire.

Attorneys for the insurance department and the company will present their views on its condition at the hearing. After the hearing the attorney-general will decide if William Penn can be rehabilitated or whether it shall be thrown into liquidation.

Commissioner Leslie of Pennsylvania has announced that he has approved payment of loss claims by William Penn Fire, which was suspended by the department July 13.

F. Howard Lawson & Co. agency at **Marion, O.,** is to be transferred to Farm & City Insurance Service, Inc., a new corporation with F. Howard Lawson as president.

Chicago Loss Has Lesson on Sprinkler Value in Flash Fires

Cook County Inspection Bureau in its loss report on the fire June 12 at 2241 Halsted street which caused an insurance loss estimated at $672,036, states that the loss is an outstanding example of the reason automatic sprinklers are not always effective in controlling flash fires.

This was a fire which started in a paint dip tank on the first floor of a two-story without basement brick semi-mill and ordinary joist sprinklered building. The sprinkler equipment failed to control the fire because an extremely large number of heads opened in a short period of time following the explosion. The fire spread rapidly throughout both floors and fused all of the 490 sprinkler heads. The water supply, consisting of two gravity tanks holding 40,000 gallons and a pressure tank of 3,000 gallons, was insufficient with so many heads opening in a short time and was soon exhausted even though augmented by fire department connections later.

About 97% of the total area was sprinklered, and the unsprinklered areas were not a factor in the loss.

Fire and water damage was caused to an entire group of buildings at 2241-2325 South Halsted street, and at the rear of 2327-31 South Halsted. Among the insured were the Betty Brewer Co., Superior Sleepright Corp. and Ajax Box Co. All carried contents and business interruption insurance. After the paint dip tank exploded the fire spread throughout the first floor. Flying embers ignited rolls of paper owned by the Ajax Paper Box Co. in an adjoining three-story sprinklered building about 400 feet away from the main fire.

The inspection bureau recommended that the quantity of flammable liquids used in process of painting or dipping should be limited to a maximum of one day's supply. The value of segregating painting and dipping operations and the importance of eliminating possible sources of ignition are clearly indicated in this fire.

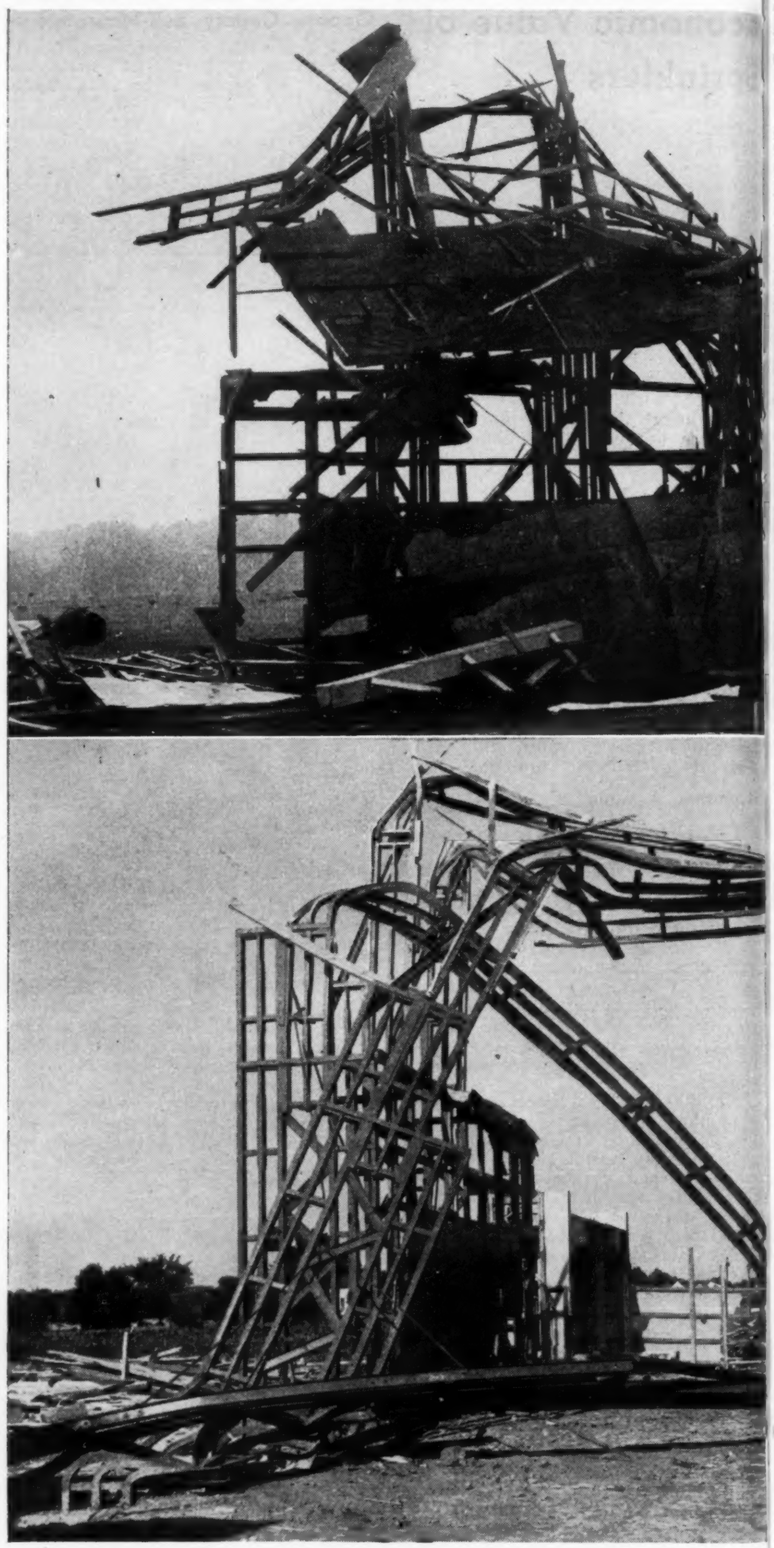
New Home Safety Booklet

An average of 30 Americans die in fires every 24 hours, a large percentage of them in home fires, warns the National Board, which has just issued a new booklet entitled "The Fire Safe Home." It points out the conditions most likely to cause a blaze in each part of the house, and offers specific advice on means of eliminating these hazards.

The booklet also takes up such potential fire hazards as the television set, and explains how attention to safety features by manufacturers and pre-testing of sets by Underwriters' Laboratories have helped eliminate most of the fire and shock hazards connected with television.

Magdaline M. Zipfel of Norwalk, O., will now operate the Simon agency there. She was a partner with her brother, Paul Simon, who died recently.

Wrecked Outdoor Theater Screen



Shown here is the wrecked screen of the drive-in theater at Lima, O.

Fire Protection May Cost More; Possible Shortages

The price of fire protection equipment should be going up soon. One fire protection equipment contractor has already been notified by several firms from which he buys materials that their prices have gone up.

Increases in prices and shortages of materials will probably be felt first in metals which will vitally affect fire protection since most of the materials and equipment used are made at least partly of metal. And, since price increase is directly connected with material shortage, the latter should follow fairly soon.

Already many firms are placing orders for fire protection equipment that had not planned to do so for some time yet.

Plan Conference Meet

MEMPHIS — Preliminary plans for the meeting of Midwest Conference of National Assn. of Insurance Agents, March 12-13, 1951, were made here at a meeting of George L. Goss, secretary-manager of the Tennessee association, who is director of convention activities, with Clark Wade, president of Insurors of Memphis, and T. K. Robinson, treasurer of the conference.

Mrs. Marie G. Plyler has decided to continue the agency of her late husband, B. Durham Plyler, at Newark, O.

Adjourn St. Paul Escott Plain Hearing To Separate States

ST. PAUL — After an all-day simultaneous hearing Tuesday on the "Escott plan" for multiple risk rating, four commissioners appearing or represented adjourned the hearing to their respective states. It was nearly 6 p.m. when the hearing closed.

On the stand most of the day was Henry Barkstedt, assistant secretary of America Fore, who was subjected to a severe cross-examination by Charles Butler, counsel for Multiple Location Office. He was questioned closely on the various phases of multiple risks and rates as compared with present rating systems.

Several questions were put to him by Robert H. Rydman, deputy commissioner of Nebraska, who represented that state.

Another witness was James R. Ashton, president of Wisconsin Assn. of Insurance Agents, who testified that Wisconsin agents generally are in favor of the Escott plan.

States which sat in at the hearing were Minnesota, represented by Commissioner Harris; Nebraska, represented by Mr. Rydman; North Dakota, by Commissioner Krueger; South Dakota, by Commissioner Burke, and Wisconsin by Commissioner Lange.

Other states represented by observers were Illinois, Deputy Commissioner Day; Iowa, Commissioner Alexander, and Ohio, with three departmental representatives.

George R. Carey, general counsel, represented America Fore, assisted by Robert Loeffler, New York attorney. Thomas Watters was associated with Mr. Butler in representing Multiple Location Office.

Time for filing briefs and depositions was granted by the states represented.

B. C. Agents Refuse to Meet with Companies on Monopoly Charges

British Columbia Underwriters Assn. has been unsuccessful in arranging a meeting with the Vancouver agents association to iron out problems relevant to combine charges which have been made in Ottawa by three British Columbia agents' associations with respect to attempts on the part of the companies to incorporate underwriters associations in western Canada. The protest claims that the companies are asking for provincial autonomy and the agents are fighting any combine in which domination will be concentrated in the hands of the Dominion Board of Underwriters. They also argue that agents should not be tied into any company association in any manner which would tend to fetter their operations. In view of these charges, Ottawa has refused, so far, to grant incorporation and has asked all interested parties to file essential papers for consideration.

The agents have appointed Edward Scott, of the Ottawa legal firm of Kelly, Burke-Robertson, to handle their protest and on legal advice have declined to meet with the B. C. Underwriters Assn.

It is reported that the agents are willing to withdraw their objection to the proposed incorporation of B. C. Underwriters Assn. if certain clauses against which they have protested are deleted. The B. C. U. A. has shown no inclination at the moment of making these deletions.

New Members Admitted

Admitted to membership in National Assn. of Independent Adjusters recently have been: Van Doren & Kellstrom, Klamath Falls, Ore.; E. R. Livermore & Co., Phoenix; Light Adjustment Co., Little Rock; O. R. Dawson, Charleston, W. Va.; Texas Insurance Claims Service, Dallas; Eugene H. Miazza, New Orleans; Kenneth Livaudais, Lafayette, La.; Tolbert-Barron-Lowenhaupt, El Paso.

Improved Risks Mutuals Hike Commission Scale

Improved Risks Mutuals are increasing maximum commission on preferred business to 15% effective Sept. 1. The 15% will be paid on ordinary and inland marine business, and 10% will be given for reporting policies other than inland marine. Open market reinsurance will receive 7½%.

Listed as preferred classes are apartment buildings, banks, churches and chapels, colleges, schools, convents, including dormitories, dwellings, hospitals, housing projects, office buildings, telephone exchanges, and Y.M.C.A. and Y.W.C.A. buildings.

Arthur O. Brockenbrough, local agent at Fort Lauderdale, Fla., has formed a partnership with E. D. Ballard, a fire insurance and rating engineer. The agency, which was established in 1905, will be known as Brockenbrough & Ballard.

Investment Men Watchful, Little Portfolio Shift

Financial men of fire and casualty companies are watching the effects of the war on securities closely but there is no real concern over the situation and not much shifting in emphasis on portfolios.

The heavy purchases of tax exempts by individuals and some institutions had driven the prices of these securities up to the point where some fire and casualty companies that hold large amounts of common stocks regard them as prohibitive. These buyers are sticking to common stocks, equities. They are going along with the situation, so to speak, principally because there has never been a deflationary war and, with inflation, equities are good securities to be with. This is true even though the market is down and the froth worked up this year is gone. Levels on blue chip stocks still are not much different from last December.

Thus there may not be much pressure for tax exempts from large insurer investors in order to forestall some of the effects of what looks like an inevitable corporate tax increase.

Insurers that bought tax exempts in the past year have found these going up while most other securities were going down which makes them happy. Also there is still some interest by insurers in tax exempts and some buying. As a matter of fact, especially good municipals can go a good deal higher and still be worth the money.

In general, insurers are not selling, they are buying. They are buying well selected oils and good dividend paying utilities. They are buying to take advantage of the present low prices on the market. There is even some buying of common stocks by life companies though this is small.

Hanover, Fulton Join U.S.A.

Hanover Fire has become an active member and Fulton Fire an associate member of Underwriters Service Assn. as of July 1.

Harry H. Haucke, San Antonio, special agent of Great American, presented a silver pitcher to **E. L. Greene**, Pharr, Tex., local agent, for 25 years' representation of the company.

Announce Plans to Write War Damage on Coast

Interest in war damage insurance in the Pacific Coast states was highlighted this week with the announcement of General of Seattle that it will write this coverage, and a report that a new company is being organized at Portland specifically for the purpose of taking war damage risks.

General of Seattle will write war damage in Washington and California on an annual basis. The coverage is on two forms, broad form that includes loss and damage from radioactive activity and contamination, and a limited form that excludes these two provisions.

Agents cannot bind the risk. It is non-cancellable by either company or assured. Premiums are payable in advance and the 70% coinsurance clause is mandatory. Rates are: Dwellings, 40 cents on a limited form and 80 cents on the broad form, fireproof buildings, 75 cents and $1.50, and all other risks, $1 and $2.

Organization of the new company at Portland follows refusal of Lloyds underwriters to handle war damage in the Pacific northwest, according to Merrick E. Munger of the Oxley-Munger & Co. agency representing Lloyds at Portland.

Mr. Munger said his agency has applications for some $700,000 in war damage insurance and a survey indicates that much more of the business will be available as soon as a company can be formed.

The new company will be a closed corporation and it is expected to be set up in 21 days to write coverage for the entire Pacific Coast from Vancouver, B. C., to San Francisco.

Rates will be $1.50 per $100 on industrial and downtown buildings and $2 on merchandise for a two-year period. Residence property will pay 35 cents to 55 cents.

Want Government Ready to Write War Risk Cover

Marine underwriters believe the government should have ready the authority to write war risk coverage at any time it becomes necessary for it to do so. This view has been expressed to the maritime affairs subcommittee of the House committee on merchant marine and fisheries which last week concluded hearings on a bill empowering the maritime commission to write war risk.

The authority of the commission to write war cover expired in July, 1947. At that time, according to J. A. Bogardus, president Atlantic Mutual and head of American Institute of Marine Underwriters, the latter named a committee to study the need for enabling legislation.

The legislation was needed in the last two wars, Mr. Bogardus pointed out, and with increased destructiveness of modern methods of war, it was obvious such legislation would be needed again in case of emergency.

Because of the suddenness with which wars start today, it was believed the government should have this authority on the books so it could begin to write the insurance immediately when necessary. With the present world situation the need of the legislation is pressing.

Texas Mandatory $100 Deductible Is Upheld

The mandatory $100 deductible on hail and windstorm in Texas has been upheld by the state supreme court, which refused to review a decision of the court of civil appeals. The appeals court had upheld the board's authority to require the deductible.

Action by the board of commissioners on a proposed reduction of the deductible to $50 has been held up pending the court's ruling.

The suit challenging the legality of the mandatory deductible was brought by Jess D. Carter, an Austin lawyer who specializes in insurance. He won his first case in the state district court, but the appeals court said that to give the privilege of buying full coverage would increase the cost of windstorm insurance generally so as to be prohibitive.

At a public hearing conducted by the commissioners last week, a spokesman for Texas Assn. of Insurance Agents proposed that the amount of deductible be reduced from $100 to $50. Some agents did not agree a reduction is necessary but none suggested that the mandatory clause be removed.

Paul H. Brown, fire commissioner, said that there would be no change in the deductible ruling until after final court action. Carter had 15 days to ask the supreme court for a rehearing.

W. C. Couch Opens Own Adjusting Office in Ind.

W. C. Couch has opened an independent adjustment office at 5116 Hohman avenue, Hammond, Ind., for servicing losses in Cook county, Ill., and Lake county, Ind.

Mr. Couch was with Western Adjustment at Muncie, Anderson and Ft. Wayne, Ind., before becoming manager at Hammond. In 1947 he was named senior adjuster in the Cook county department. He has worked on storm assignments in Nebraska, Kansas, Indiana and Wisconsin.

N.A.U.A. Filings Get Approval in Michigan

LANSING — The Michigan department has approved a revised filing of rates by National Automobile Underwriters Assn., effective immediately on new policies and on Aug. 15 on renewals.

The revisions will substantially reduce rates for motorists in the age bracket above 25 while maintaining existing rates on all vehicles operated at any time by drivers 25 years old or younger.

The reductions on full coverage policies are: 6% on $100 deductible; 7% on $50 deductible; 8% on $25 deductible, and 9% on no deductible. A flat 10% reduction is allowed on policies covering collision only.

The new filing reclassifies the young driver group as class 2, rather than A-3. Rates are 15% more than the business rate charged motorists in the older age brackets.

The filing, proposed five or six months ago, had been held up pending an investigation by the department as to whether the discrimination against younger drivers was equitable. Department officials are convinced by company showings that a disproportionate part of the loss ratio must be laid to this age classification.

Mutual Insurance Rating Bureau has filed virtually identical schedules.

An officer of Michigan Bureau of Casualty Companies, which makes rates for more than a dozen local companies, said that a similar rate revision is contemplated shortly and was the subject of a meeting here the past week. He indicated the over-all reduction on maximum coverage policies would be about five per cent.

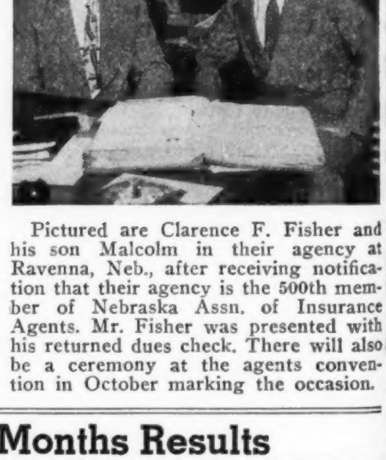
New Ocean Marine Office

Commercial Union has established an ocean marine department at Seattle under the supervision of Herbert A. Stetson, Jr., who has had extensive maritime experience and holds a master's license. He joined Commercial Union in 1948. The new department at Seattle will have jurisdiction over Washington and British Columbia.

Two Ocean Marine Courses

Two courses in ocean marine insurance will be given in the New York area this fall, one at Brooklyn College, with Richard Bjorness, ocean marine manager of Fire Association, as instructor and the other at McMillen Institute.

500 in Nebraska



Pictured are Clarence F. Fisher and his son Malcolm in their agency at Ravenna, Neb., after receiving notification that their agency is the 500th member of Nebraska Assn. of Insurance Agents. Mr. Fisher was presented with his returned dues check. There will also be a ceremony at the agents convention in October marking the occasion.

Companies' First Six Months Results

	Assets June 30	Surplus June 30	Increase or Decrease in Surplus from Dec. 31	Premiums First Six Months 1950	Written First Six Months 1949
Central Manuf. Mut.	22,873,492	7,002,987	666,787	5,789,420	6,237,208
Employers Cas., Tex.	$13,775,871	$ 3,455,214	$ 20,452	$ 4,927,847	$ 4,620,823
Employers Reins.	45,630,884	12,463,771	406,011	9,173,458	14,412,616
Farm Bur. Mut. Auto, O.	53,447,480	14,502,285	1,785,277	26,856,736	20,384,026
Fidelity & Guaranty	33,664,431	10,798,690	451,020	11,222,805	9,900,310
Founders F. & M. Cal.	7,309,446	3,205,748	172,199	2,927,117	1,762,995
Government Employees	10,287,715	3,183,194	311,174	4,041,690	3,264,097
Grain Dealers Nat. Mut.	12,345,863	3,336,166	335,773	4,921,108	4,373,201
Hardware Mut. Cas.	45,267,788	6,567,237	—236,885	21,575,223	18,488,165
Harleysville Mut. Cas.	9,573,662	2,020,213	3,555	3,160,847	2,463,388
Ill. National Cas.	4,606,829	1,269,687	163,121	2,150,701	2,027,101
National Casualty	14,553,925	3,000,000	......*	6,813,093	6,417,043
National Surety	46,865,909	23,145,089	45,971	9,520,992	8,854,489
Keystone Auto Club Cas.	10,510,381	4,140,454	64,098	3,742,679	3,248,789
Northwestern Natl. Cas.	6,769,939	2,009,303	280,165	1,777,526	1,700,065
Northwestern National	31,429,583	14,489,486	—669,465	5,966,470	5,729,281
Pa. Millers Mu. Fire, Pa.	7,379,721	4,321,451	221,459	1,412,228	1,393,296
Service Fire	56,102,355	14,769,079	1,392,862	19,715,290	17,453,549
State Farm Fire	6,288,631	2,931,817	901,323	1,719,575	1,856,984
Texas Employers	13,410,780	4,833,752	234,425	7,134,279	7,199,119
United Pacific	15,297,821	3,750,000	175,000	6,082,571	4,910,354
Worcester Mutual Fire	7,119,125	3,385,284	86,589	1,570,358	1,445,014

*Voluntary contingency reserve increased by $428,211.

Convention Dates

Aug. 7-11, Grand Nest of Blue Goose, French Lick Springs, Ind.

Aug. 14-16, International Federation of Commercial Travelers Insurance Organizations, Lake Louise, Alberta, Can.

Aug. 24-25, Minnesota Agents, annual, Hotel Nicollet, Minneapolis.

Sept. 6-8, C.P.C.U., annual, Cleveland.

Sept. 8-9, Maine agents, annual, Rangeley Sheraton hotel, Rangeley.

Sept. 10-12, Montana Agents, annual, Billings.

Sept. 10-12, Pennsylvania Agents, annual, Bedford Springs Hotel, Bedford.

Sept. 14-16, Washington Agents, annual, Spokane.

Sept. 11-12, South Dakota Agents, annual, Cataract Hotel, Sioux Falls.

Sept. 14-16, Federation of Insurance Counsel, annual meeting, Atlantic City.

Sept. 18-20, International Claim Assn., Greenbrier hotel, White Sulphur Springs.

Sept. 18-20, American Bar Assn., insurance section, Willard hotel, Washington, D. C.

Sept. 15-17, Insurance Advertising Conference, Lighthouse Inn, Cape Cod, Mass.

Sept. 18-21, Western Underwriters Assn., mid-year meeting, Greenbrier hotel, White Sulphur Springs, W. Va.

Sept. 20-22, Oregon Agents, annual, Portland.

Sept. 21-22, All-industry committee deliberations on uniform agent-broker licensing bills, unlicensed insurer bills and interstate compact proposal, New York.

Sept. 22-23, Utah agents, annual, Hotel Utah, Salt Lake City.

Sept. 24-27, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint meeting, Greenbrier, White Sulphur Springs, W. Va.

Sept. 25-26, Michigan Agents, annual, Pantlind hotel, Grand Rapids.

Sept. 25-26, New Jersey agents, annual, Hotel Claridge, Atlantic City.

Sept. 25-27, Bureau of A. & H. Underwriters, annual, Sky Top Manor, Poconos, Stroudsburg, Pa.

Sept. 25-27, Idaho Agents, annual, Sun Valley.

Sept. 25-26, New Jersey agents, annual, Hotel Claridge, Atlantic City.

Oct. 2-5, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Oct. 4-10, Hemispheric Insurance Conference, Santiago, Chile.

Oct. 12-13, South Carolina agents, annual, Columbia Hotel, Columbia.

Oct. 16-18, National Assn. of Mutual Insurance Agents, annual, Hotel Statler, N. Y.

Oct. 12-13, South Carolina agents, annual, Columbia Hotel, Columbia.

Oct. 16-20, National Safety Congress and Exposition, Chicago, various hotels.

Oct. 16, Rhode Island Assn. of Insurance Agents, annual Sheraton-Biltmore Hotel, Oct. 16.

Oct. 23-25, California Agents, annual, Fairmont and Mark Hopkins hotels, San Francisco.

Oct. 24-25, Massachusetts Agents, annual, Springfield.

Oct. 24-26, Wisconsin Agents, annual, Hotel Schroeder, Milwaukee.

Oct. 25-27, Kansas Agents, annual, Wichita.

Oct. 26-27, Tennessee agents, annual, Hotel Peabody, Memphis.

Oct. 30-31, Ohio Agents, annual, Deshler-Wallick Hotel, Columbus.

Oct. 30-Nov. 3, "Mutual Insurance Convention," joint annual meetings of six mutual insurance associations, Statler Hotel, Boston.

Nov. 3-4, Colorado Agents, annual, Broadmoor hotel, Colorado Springs.

Nov. 13-14, Illinois agents, annual, Leland hotel, Springfield.

Nov. 19-21, Arizona Assn. of Insurance Agents, annual, Westward Ho hotel, Phoenix.

Nov. 13-15, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.

Oct. 12-13, N.A.I.C. zone 5, Kansan hotel, Topeka.

Dec. 27-29, American Assn. of University Teachers of Insurance, University Club, Chicago.

Standard Acc. Class Sept. 18

Standard Accident will hold its next training class starting Sept. 18 at the home office. The class is offered to both agents and employes and will be limited to 30 students. It will last 13 weeks and cover phases of underwriting, claims, safety engineering, and production.

This class will take the place of the one originally scheduled for January, 1951.

Schedule 'Workshop' Session for N.A.I.A. Chicago Meeting

A "workshop" session has been scheduled as another highlight of the annual convention of National Assn. of Insurance Agents at Chicago Oct. 2-5.

Programmed for Tuesday morning, Oct. 3, the workshop will feature presentations of "The Agency Cost Survey," by William B. Glassick, Hollywood, Cal., chairman of the N.A.I.A. agency management committee, assisted by J. Huell Briscoe, cost accountant, Chase Conover Co., Chicago; "Comprehensive All-Risk Dwelling Form and Simplified One-Write Policies," by Arthur M. O'Connell, Cincinnati, chairman of the property insurance committee, assisted by Maurice J. Hartson, New Orleans; "Fire Legal Liability," by Robert M. Babbitt, Jr., assistant vice-president Joyce & Co., Chicago.

The workshop is another innovation at N.A.I.A. conventions. It is designed to offer a forum at which problems of the agents and projects developed by the National association can be presented for discussion and exchange of opinion.

Two P. W. Appointments

Providence Washington has appointed Haven W. Andrews manager of the field control department at the home office. He formerly was manager of the Boston service office, having joined Providence Washington as a special agent in 1946 after service in the navy.

J. Earl Tays has been appointed manager of the Boston service office. He was with John C. Paige & Co. and was a special agent for Scottish Union in Massachusetts before joining Providence Washington as a special agent at Boston.

Holmes Opens Genl. Agency

John P. Holmes has opened a new general agency at New Orleans, doing business as John P. Holmes & Co.

Mr. Holmes has been 28 years in the insurance business. He was engineer and chief inspector of Southeastern Underwriters Assn. and then for 10 years a member of the local agency of Adams, Holmes & Tharpe, Atlanta. He was next for 12 years with Pacific National Fire as agency superintendent and assistant manager of the southern department at Atlanta. For the past two years he has been vice-president of Parkerson & Barnes, who are general agents in Louisiana for a number of companies.

CHICAGO

BROKERS' GOLF OUTING AUG. 22

Insurance Brokers Assn. of Illinois will hold a golf outing Aug. 22 at the Medinah Country Club. It will include dinner, door prizes, nongolfing prizes and prizes for the best, worst and luckiest golfer.

Tickets are available at association headquarters, 516 Insurance Exchange building.

GLOSSOP JOINS RBH

Ernest Glossop, who has been head of the boiler and machinery department of the James S. Kemper Co. agency of Chicago since 1943, has joined Rollins Burdick Hunter Co., as boiler and machinery expert and an account executive.

Mr. Glossop who was born in England, attended Sheffield Technical college and majored in engineering. After service with the British navy, he came to the United States in 1924. He started in insurance with Travelers as inspecting engineer and subsequently was with Continental Casualty as assistant manager of the boiler and machinery department.

PREVIEW PREVENTION PLANS

A preview of plans for the Chicago observance of Fire Prevention Week, Oct. 8-14, was offered at a meeting of the fire prevention committee of Chicago Assn. of Commerce at a luncheon. Speaking was Elmer F. Reske, manager of Cook County Inspection Bureau, the committee chairman. Mr. Reske said the campaign would be launched early this fall and will feature extensive publicity leading to a fire prevention show and to a Fire Prevention Week ceremony to be staged at some point in the loop.

NEW YORK

N. Y. BOARD LOSSES DOWN

There was an increase of 14.5% in the number of incurred losses reported in New York Board territory in June but the amount decreased more than 34% dropping from $1,488,628 to $976,965. The first six months' losses increased 28.8% in number but dropped 25.5% in amount. First six months' losses totalled $8,425,275 compared with $11,303,796 during the same period of 1949.

TO REPEAT BROKERS COURSE

The new School for Social Research which gave its first course preparing for the insurance brokers examination in the spring, announces that it will prepare also for the December examination. All classes are held at the Clifford L. McMillen Institute, 347 Madison avenue, under the direction of Philip Gordis, who is also coordinator of the insurance brokers course and ocean marine course at Brooklyn College.

Tells Aetna Graduates to Enlist Field Assistance

Gino L. Donato, agent for Aetna Casualty at Hartford, told the graduates of the company sales course last week how he led the country in policies sold during the company's accident insurance campaign.

Mr. Donato urged the graduates to enlist the assistance of Aetna field representatives, and then "keep making contacts by seeing the people."

Scholastic leader in the class was Robert K. Gray of Pittsburgh.

NEWS OF FIELD MEN

Aetna Fire Announces Three Field Appointments

Aetna Fire has appointed A. B. Schumacher and Paul S. Fleming special agents in Kansas and Virginia, respectively, and transferred Special Agent John B. Lawton from Philadelphia to the marine service office at Richmond.

Mr. Schumacher is a native of Kansas and has spent his entire business career in the state. He has been in insurance, both local agency and field work, for 20 years, most recently with the Mill Mutuals. He will have headquarters at Topeka.

Mr. Fleming is a graduate of Virginia Military Institute. A veteran of the recent world war, he has had extensive training in various departments of Aetna and is a graduate of the field-men's school. His headquarters will be at Richmond.

Mr. Lawton is a graduate of the school of business of New York University, is a war veteran and has had several years of experience in the underwriting and production of marine insurance. He has been a special agent since 1948, attached to the Philadelphia office for 2½ years.

Fireman's Fund Names Musterman in Kentucky

Edward W. Musterman has been appointed special agent in Kentucky for Fireman's Fund. He will have headquarters in the Starks building, Louisville, associated with James W. Bethel, state agent.

Mr. Musterman is an engineering graduate of the University of Louisville. He has had experience with National Union and was for several years with Kentucky Inspection Bureau.

Boy Scouts Prevention Aids

MINNEAPOLIS—Enlisting of Boy Scouts in a state-wide fire prevention program is the goal of Minnesota Fire Prevention Assn., which hopes to educate the Scouts in fire safety and prevention in the home, on the farm, in business and industry and in the community in general.

Originator of the plan is Claude D. Casey, state agent of London & Lancashire and long active in Boy Scout work. In the past, Boy Scouts have aided in some cases in town inspections. Under the Casey program the Scouts will be given a course of training for six or eight weeks prior to an inspection. Following the inspection they will take examinations to qualify for firemanship merit badges, with fire chiefs and Scout officials grading their efforts.

Schodde to General Agency

Glen Schodde has joined the Baumann & Gordon general agency of Winona, Minn., as special agent. Mr. Schodde has had experience with Home, Iowa Inspection Bureau and is a graduate of Illinois Institute.

His headquarters will be in the Plymouth building, Minneapolis.

Olsen Joins F. & G. in Ore.

Fidelity & Guaranty has appointed Fulton A. Olsen special agent in Oregon to assist Lotus M. Conser, manager at Portland. For the past three years Mr. Olsen has been with Oregon Insurance Rating Bureau.

Ohio F.U.A. Meetings Set

In addition to the meeting at Cincinnati Sept. 19, Ohio Fire Underwriters Assn. has announced these meeting dates: Oct. 17, Nov. 14 and Dec. 12, Columbus; no meeting in January; Feb. 6, Columbus; March 6, Cleveland; April 10 and May 8, Columbus.

Foley Named in Missouri; Strayer Takes Iowa Post

Crum & Forster has appointed William G. Foley Missouri special agent. He is a native of Missouri and served in the south Pacific for more than three years. Following his discharge, he was employed with the group's Kansas City office for two years, then was transferred to Freeport where he went through the training school and served in the various underwriting departments. He will have headquarters at Kansas City.

Norman F. Strayer is appointed special agent in Iowa, to fill the vacancy caused by Max Miller being appointed state agent in Indiana.

Mr. Strayer is a native of Iowa, was an instructor in the air corps for four years and now holds a reserve officer's commission. He spent two years with Iowa Inspection Bureau and for three years was with National Union there.

Brooks to American's Home Office as Field Supervisor

American has appointed Eugene H. Brooks field supervisor at the home office, effective Sept. 1. He will be succeeded as state agent in Georgia by E. Hughes Scott, now special agent in South Carolina.

After service in North Carolina and West Virginia, Mr. Brooks was appointed special agent for Georgia in 1938 and was named state agent in 1944.

Mr. Scott started with Dixie Fire remaining in Greensboro until 1939. The next eight years he was an adjuster, a fire and casualty field man, and then an officer in the air corps. He rejoined the group in 1947 as special agent for South Carolina.

Three Gulf Field Men to Home Office as Examiners

Charles E. McCallon, Arkansas state agent at Little Rock; Harry M. Dannelly, Corpus Christi, South Texas special agent, and James B. Chase, Dallas, special agent for East Central Texas, have been promoted to examiners at the home office of Gulf.

Mr. McCallon has been with Gulf 16 years, starting as file clerk. His place will be filled by Floyd W. Calaway, formerly of Kilgore, Tex., who for several years has been manager of the Callahan agency there.

Mr. Dannelly joined Gulf as special agent in 1948, and before that time had done field work for other companies. He is succeeded by H. W. Wallace, Jr. with headquarters at Raymondville. For several years Mr. Wallace has been a part owner and operator of the Willacy County agency at Raymondville, recently sold.

Mr. Chase went with Gulf as special agent in 1948, after service with other companies. He succeeds John E. Goff, who died recently. His place in the field has been taken by Melvin O. Perkins, who has been with the Texas department at Austin.

Joins New K. C. Insurer

Richard McConnell, formerly secretary of the Lansing, Mich., fire department, has become a field man for Universal Underwriters of Kansas City, recently launched by the Lynn reciprocal interest there. He will travel for the company, which specializes in coverage

for automobile agencies, for from four to six months and then will be assigned to field work out of Atlanta.

Security Appoints Weber

Security of New Haven has appointed Richard O. Weber special agent in northern Ohio. Mr. Weber served in the air force. For the past 2½ years he has been with the Hale & Hale agency of Cleveland.

Plan Kansas Inspections

The executive committee of the Kansas Fire Prevention Assn., headed by Frank Regier, Corroon & Reynolds, Topeka, met at Wichita to complete plans for the year and act on several invitations to hold town inspections. President John L. Vorse, Security, and Secretary W. S. Gibbons, St. Paul, also attended.

Cunningham With National

National Fire has appointed S. J. Cunningham special agent in southern California with headquarters at Los Angeles. He will supervise the southern portion of that field and Arizona under the direction of C. H. Warren, regional assistant manager.

Mr. Cunningham operated for many years as a field man and more recently as an agent at Flagstaff, Ariz.

Hafner to Phoenix-London

The Phoenix-London group has appointed Robert Hafner special agent for Wisconsin and the Upper Peninsula of Michigan, with headquarters at Milwaukee. Mr. Hafner started in 1939 with Phoenix of Hartford and lately has been with Commercial Union.

Wash. Blue Goose Elects

Washington Blue Goose has elected Don A. Morton of Stuart G. Thompson-Elwell Co., Seattle, most loyal gander. J. H. Sumner, Cravens, Dargan & Co., is supervisor; Clarence Little, Home, custodian; Douglas V. Iler, Phoenix-Connecticut group, keeper; H. Ross Osborn, Spokane adjuster, guardian, and Fred D. Tucker, adjuster, wielder.

Brooks with Home in Fla.

Robert O. Brooks has been appointed special agent of Home at Jacksonville, Fla. He was formerly with Bisbee-Baldwin Corp. and vice-president and manager of the Morrison Taylor agency of Jacksonville. He will serve under Manager S. E. Myrick.

McKinney to Manning & Co.

George H. McKinney, who has been with America Fore, has been appointed special agent in southwest Texas for T. A. Manning & Co., with headquarters at San Antonio.

Howard W. Bailey, state agent in Wisconsin for Pacific Fire, addressed a meeting recently of eastern Wisconsin volunteer firemen on "Firefighting and Firemen's Training." About 150 volunteer firemen attended.

Holmes Wins Mont. Primary Test for Congress Seat

John J. Holmes, Montana insurance commissioner, has won the Democratic nomination for Congress by a substantial margin, according to unofficial returns of last week's primary. He had 13,672 votes to his nearest rival's 3,619. His opponent will be the incumbent Republican, Wesley A. D'Ewart.

Mr. Holmes' term as commissioner expires in 1952. It is an appointive office.

$100,000 Fire at Asbury Park

More than $100,000 damage was done to one of the largest theatres at Asbury Park, N. J., also damaging five stores. All were partly covered by insurance.

NEWS OF THE COMPANIES

Consider Informal Offer of $5,200,000 for Buffalo

An informal $5,200,000 offer to purchase the 83-year-old Buffalo Ins. Co. has been made by General of Trieste and Venice (Assicurazoni Generali di Trieste Venezia). Directors of Buffalo have discussed and favor the offer, it is understood.

A formal offer and acceptance requires approval of stockholders. There are 10,000 shares of par $100 Buffalo stock and they are largely held locally. General of Trieste, through its office in New York, has offered $520 a share.

The purchase would include Buffalo's building at 451 Main street, which was built in 1876 and for years was regarded as one of the finest business structures in the city. It is valued at about $1 million.

If the offer is accepted and there is a change in ownership, the new owners would continue the operations of the company with headquarters in Buffalo and with the present staff of about 225.

Buffalo, which had assets on Dec. 31 of $9,279,402, and has had a steady record of earnings and dividends, writes fire, motor-vehicle, tornado and allied lines. Its year-end net surplus was $2,868,527, and 1949 net premiums written were $3,639,781. It is authorized to do business in 36 states, the District of Columbia and in Canada.

General of Trieste is a large concern doing business in several countries. It operated in the U.S. before the war. Its cash in American dollars, frozen during the war, recently has been released.

Royal Appoints Kelleher

Thomas A. Kelleher has been appointed by Royal-Liverpool group as assistant educational director.

Mr. Kelleher joined Royal-Liverpool in 1936. Employed first in the underwriting department, he enrolled in the first special agents' course conducted by the group and was transferred in 1937 to the educational department. In 1940 he was made a special agent at Paterson, N. J., and in 1943 state agent for Virginia Fire & Marine at Syracuse, N. Y. In 1944 he was named state agent of Virginia for New Jersey, and in 1949 he was transferred to Hartford as state agent of Royal-Liverpool for Connecticut.

Phoenix Advances Ambler

Franklin C. Ambler has been appointed assistant superintendent of the automobile department of Phoenix-Connecticut group.

Mr. Ambler was employed by Phoenix in 1927, starting in the western underwriting department. In 1936 he was transferred to the automobile department and was made examiner in 1947.

St. Paul Declares Extra

St. Paul Fire & Marine has declared a special dividend of 40 cents per share to be paid Oct. 17 to stock of record Oct. 10, along with the regular 65 cent quarterly dividend. This means that the 1950 distribution will be $3 per share. Chairman C. F. Codere in notifying stockholders states that the special dividend is no precedent for the future. This reservation, Mr. Codere states, is "very necessary in view of the unsettled conditions now prevailing at home and abroad."

Va. F. & M. Ups Prosser

Frank W. Prosser has been made an assistant secretary of Virginia Fire & Marine. He is a graduate of Williams College, and was a member of the first class graduated from the Royal-Liverpool fire insurance school. Following his training period he served in various capacities with that group. In 1947 he went with Virginia F. & M. as superintendent of its loss department.

New P.W. Canadian Setup

Providence Washington will open an office in Toronto Jan. 1 for management of its Canadian business. It will withdraw from the Montreal office from which its Canadian affairs are presently conducted jointly with the Phoenix-Connecticut group and Westchester Fire under the management of S. M. Elliott. Those companies will continue "as is" under Mr. Elliott.

Chapman Financial Sect'y

Springfield Fire & Marine has elected H. Philip Chapman, Jr., as financial secretary of its investment department. He will be under supervision of Vice-president Frank A. Schlesinger.

Mr. Chapman has been with the company in its investment department since 1940. A graduate of Bowdoin in 1932, he was graduated from Harvard graduate school of business administration, where he specialized in economics and finance.

Working first for a bank at Portland, he later became assistant manager of the Maine agency of Home Owners Loan Corp., following which he was with investment houses at Portland.

Capital Is Now $310,000

Naragansett Ins. Co. of Rhode Island has increased its capital to $310,000 from $200,000.

As of July 6, the company had a surplus of $294,940 and assets of $563,192. Naragansett has authority to capitalize to $1 million.

Miller to Louisville F. & M.

Leslie Miller, formerly eastern manager of General of Seattle and with that company for a number of years, including service on the west coast, has become executive vice-president and director of Louisville Fire & Marine.

A. G. Cross, secretary-treasurer for 30 years of Halifax, has been retired. He is succeeded by John N. Meagher, chief accountant for 20 years.

Truck Insurance Exchange of Los Angeles has been admitted to New Jersey.

War Boosts Interest in Deductible

(CONTINUED FROM PAGE 1)

public unduly claim-conscious, many agencies have found. Knowing that he has full coverage for all non-collision damage, the motorist is quite likely to put in a claim for trifling damage that otherwise he would not consider impaired the beauty or utility of his car sufficiently to be worth bothering about. Such claims consume a great amount of time for agency personnel and many offices would like to get rid of them.

Of course, the adoption of a comprehensive deductible faces many hurdles and undoubtedly would depend for its success on the elimination of full-cover comprehensive, for the premium on comprehensive is usually so small that it would be difficult if not impossible to sell the deductible against a full-cover policy solely on the basis of the price differential.

Staffs Greatly Enlarged

A number of insurers have been building up their adjusting staffis and this means that they have a high proportion of younger men who would be subject to military service. The calling of members of the organized reserves into service would have a much more serious effect, at least at first, than the drafting of men, for there are few adjusters age 25 or younger.

The proportion of younger men among adjusting staffs varies widely. Since the last war a number of companies have been building up their staffs markedly, either because they wanted to handle more of their claims with their own personnel or because of an extra heavy increase in volume of automobile business. In some cases, both factors have been at work. These companies will have a relatively greater problem if the war and the defense program continue at an accelerated pace.

Hard to Cut Corners

The operation of an automobile claim department is particularly difficult to modify to meet a manpower shortage. There is not too much left in the way of cutting corners or streamlining that has not already been done.

One step might be to let agents handle more losses than they do now, say up to $50. This has been done right along by some companies, though the plan has not obtained widespread acceptance. In any event, it is not a remedy that can be applied in a blanket fashion. So much depends on the ability, personnel and integrity of the agents handling the claims that there has to be a very careful selection as to which agencies shall be allowed to settle claims up to $50.

Actually, there are some agents who have the reputation for doing a fine job, in fact better than many adjusters would do but in general the preference is to have adjusters handle claims, in spite of the expense and time that is saved by letting an agent handle them.

Could Cut Number Heavily

It is estimated that if all claims of $50 or less were handled by agents, it would probably mean that more than half the claims would be handled in this fashion, with consequent lessening of the strain on the adjusters. Of course these would include many claims, such as those for glass breakage, that are quite generally already handled by agents, so the degree of relief is not quite so large as the statement might indicate.

One effect of losing young adjusters to the armed services will doubtless be to make a number of field offices economically unprofitable. Where a company does its own adjusting, it is usually considered that there should be enough business in the territory so that the local office will have at least two adjusters operating out of it. If there is only one, as may be the case in a good many if considerable numbers of men are lost to the armed forces, the overhead to be charged against that man's work becomes extremely high. He still has to have an office and there has to be clerical help, at least one secretary or stenographer.

Women Eyed Dubiously

Employment of women as automobile claims adjusters is not regarded as a very practical remedy. Liberty Mutual is the main and perhaps only example of a company using women as adjusters and while Liberty Mutual seems satisfied with its results, it is doubtless significant that other companies have not seen fit to follow suit.

One factor that may be of some help is that many cars owned by men going into the service will either be sold or left with relatives who will use them much less than the owner.

War Risk Bill in Stormy Hearing

(CONTINUED FROM PAGE 2)

ited early in the war period. "They piled up on us. There was a backlog for a while. But when we decentralized we got that under control," and there was no criticism of the check situation later. The witness explained that oftentimes checks were received for the wrong amounts and were held up pending receipt of substitutes.

After Johnson had criticized the "finality" provision of the bill, Chairman Hart asked: "Is it fair to say that if that matter is taken care of the GAO would favor enactment of the bill at this time?"

"It certainly is," said Johnson. Replying to questions by Allen concerning the GAO opposition to "finality" provisions in various laws, Johnson referred, among other things, to critical testimony by GAO before the Hardy subcommittee investigating National Service Life Insurance particularly with respect to payment by the veterans administration of millions in dividends on aviation cadets' policies although the government had paid premiums on the same and under the general practice should have received the dividends. However, the VA administrator decided otherwise under a "finality" clause of the NSLI act.

Under the war risk bill, as is, he said, GAO could "look at the record and report findings to Congress concerning war risk expenditures, but could not collect back any payments. GAO would be "pretty well excluded" from "prying into the propriety" of any such payments.

Johnson testified the government did not pay war risk premiums to the companies. He stated GAO did not believe there was sufficient supervision exercised "at the top" in the maritime commission. However, he emphasized that "our auditors had perfect cooperation from the companies." He said there were people in the commission or WSA who "acted as underwriters," but "there was no loss to the government in the war risk program." The comptroller general had no specific recommenda-

Rhode Island Now in Permanent Receivership

(CONTINUED FROM PAGE 1)

situation, the department will not take action against the companies in that respect."

The San Francisco superior court has continued the next hearing on the Rhode Island situation to Sept. 11. Representing Rhode Island was Roy A. Bronson, who said the company should be given an opportunity to explore every avenue for rehabilitating itself within the state before being forced to liquidate. Representing the department was Harold Hass of the attorney general's office, who remarked that prolonging the company's operation within the state is harmful both to the public and the fire business.

It is reported that agents are hastening to put their business with the Rhode Island under binder with other companies in states where the Rhode Island license has not been renewed. The agents have held up on actually rewriting the business until there was some definite word as to in what direction the company was going. In many agencies there are several hundred policies involved and it is a terrific job to cancel and rewrite all the business.

tions for amendment of the bill, other than the suggestion regarding "finality." He would not recommend Weichel's idea of requiring frequent reports on the proposed program.

Excessive Profits Possibility

"Is there any evidence of possible large profits to the companies, under it?" asked Chairman Hart.

The witness answered that the Secretary of Commerce could make contracts similar to wartimehull and wartimepandi. The companies actually participated in the latter, he said. Premiums of $149,000,000 were paid to the companies, to be used in paying claims. There were some 1,600 claims still unsettled.

"We have no particular comment now on the amount of the insurance rate," said Johnson. "Perhaps the experience was favorable. The percentage of overhead allowance was not too closely questioned."

The witness said it was "improvident" to fail to provide for disposition of income, and that it was estimated total earnings from all underwriters' income on investment of the $149,000,000 premiums reached about $18,000,000. He had no facts or reason to revise that figure, although Mr. Chubb had stated the figure should be "nearer $4,000,000."

"What right would the government have to recover from the companies?" asked Barden.

Right Under Recapture Provisions

The witness replied there is such a right under recapture provisions of certain contracts. The government was "underwriting the underwriters," he said. There is no reason the money should not remain in the Treasury, he declared, and the government "would assume any investment profits." Company compensation "should be limited to a specific amount," Johnson said, and suggested companies should be limited to "acting as agent on a fee basis," rather than permitted participation. However, he concluded, the percentage basis provision for compensation in the wartime contract was "not necessarily" as objectionable as the ordinary cost-plus contract.

Rep. Miller asked B. K. Ogden, chief of the maritime administration's insurance division, how many companies shared in the war program. "One hundred and fifty," said Ogden.

Then, referring to the $18,000,000, which Weichel has asserted was "handed" to the companies, Miller remarked that would be equal, roughly, to $100,000 profit for each company. As the war program ran for about four years, he remarked that would "average out at about $25,000 a year."

"A very modest sum," Miller remarked.

He also brought out that under their contracts with government, the companies, which were to get certain fixed amounts for their services if the program showed a profit, were also liable to sustain heavy losses, if the losses had been excessive.

Ogden stated they "could have lost much more than they were paid." Miller remarked "there was a great risk assumed by the companies" and he did not consider it objectionable that they made a profit.

Miller wanted to know if any policies had been cancelled as a result of the Korean situation. Ogden said none had, and if conditions remained approximately the same he did not expect policies would be cancelled. He had no idea, he said, when the President might invoke the powers under the war risk bill, if enacted; that would depend upon circumstances.

This legislation has been under study by the maritime commission and other agencies since January 1948.

Hiking 1st Payment in Installment Plan Opposed in N. C.

RALEIGH, N. C.—Following a public hearing, Commissioner Cheek now has under consideration proposed changes in the installment payment premium plan, intended to bring the plan into conformity with rulings by the attorney general of North Carolina.

Most of the changes suggested by North Carolina Fire Insurance Rating Bureau were unopposed. However, North Carolina agents and North America joined in sharp opposition to a proposed increase in the size of the first installment.

The bureau proposed that the first installment be 108% of the annual premium, an increase of 8% over the charge now being made. Succeeding installments would remain at 78%, but the plan would mean that five-year installment coverage would cost the assured 4.2 times instead of 4.12 times the annual rate.

Sees Detrimental Effect on Sales

John Phillips of Philadelphia, attorney for North America, indicated that his company is not so much opposed to the increased cost as it is opposed to adding it all to the first premium payment. This, he insisted, would have a detrimental effect on the sales appeal of the endorsement.

"Did your governing board consider the effect on selling this form?" Mr. Phillips asked Landon Hill, rating bureau manager.

"It was the opinion of the committee," Mr. Hill replied, "that it would not have any effect on the sale of the form."

"Is there any reason why the extra charge should not be spread over the entire life of the policy?" Mr. Phillips asked.

Mr. Hill, who spent more than two hours answering questions, replied that "technically it should be graduated over the period of the policy." However, he added, the bureau considered the fact that there was more unpaid balance the first year and felt there was discrimination against the single year policy buyer if the first premium did not exceed the annual rate.

He said the additional cost was proposed to reimburse companies for the added expense of setting up records on a five-year policy, to charge the assured for the privilege of continuing the policy beyond one year, and to charge for the automatic reinstatement privilege included in the plan.

However, W. T. Joyner, counsel for the bureau, said the governing board has not yet determined precisely what the charge for automatic reinstatement should be.

Bradford Smith, Jr., North America vice-president, testified that his company and its affiliates have used the installment endorsement for about five years in this and other states. This experience has shown, he said, that it would not be necessary to raise the rate the suggested 8% in order to protect the company. He recommended that the rate be kept at the present level.

Phillips contended the bureau went beyond Commissioner Cheek's directive in proposing the rate change. The commissioner's order after the March hearing, he said, made no mention of any changes in rates.

Say North America Not Consulted

Besides, he said, North America was not consulted about the rate proposal. He brought out, by questioning Mr. Hill, that North America had representatives present in May when the governing board was considering changes in the plan. In answer to a question, Mr. Hill said: "I do not recall that the rate question was discussed then."

"Is it not your recollection that it was not discussed?" asked Mr. Phillips.

"Yes," replied Mr. Hill.

A sub-committee named by the governing board to recommend changes in the plan based its decision on the rate increase, Mr. Hill testified, "by and large on judgment, to some extent on evidence offered in previous hearings, and to discussions beforehand."

He was asked if he had any evidence that extra company expense in writing the plan would amount to 8%. Mr. Hill replied that few companies had had opportunity to set up expense ratios which would show the cost. He added that the bureau did not have supporting statistics to justify the 8%.

It is apparent, Mr. Joyner told the commissioner, that some charge should be made for the added expense of handling five-year policies. However, he declared, the extra charge proposed could be justified solely on the basis of interest costs.

Agents' Views Presented

About 50 agents representing every section of North Carolina attended. They were headed by Louie E. Woodbury of Wilmington, president of North Carolina Assn. of Insurance Agents. S. G. Otstot of Raleigh, executive secretary, attended but did not participate.

Mr. Woodbury declared that to put the extra 8% on the first installment would "destroy the plan by killing its sales appeal to the public." The five-year plan, Mr. Woodbury continued, gives the agent an advantage in dealing with the public. It means that the agent sees his customer at least once a year and can see that the customer keeps coverage in line with property values.

Other agents who supported Mr. Woodbury included William E. Webb, Jr., Statesville, vice-president of the state association; Samuel J. Fisher, Asheville; Walker Taylor, Wilmington; Hugh Fortescue, Washington, N. C.; Glasgow Hicks, Wilmington, and Earl Johnson, Raleigh.

Besides Mr. Phillips and Mr. Smith, North America was represented by Charles F. Littlepage, assistant vice-president, and Thomas E. Walton, Jr., underwriter.

Unopposed changes suggested by the rating bureau would eliminate the installment plan on three-year policies; construe default in payment as "a request of the insured" for cancellation of the policy, and provide that company liability would at no time exceed the cash value of the insured property.

EDITORIAL COMMENT

Adjusting to New Man in Agency

There are some purely mental benefits that lie unnoticed among the advantages that acrue to the sole proprietor agent who brings into his agency a younger man and trains him over a period of years to assume control and direction of the agency. Some agents unable to find the right man or who for other reasons have never brought in one, have solved the problem by selling the business to a stranger, taking some of the proceeds on an annuity basis. Others hire an office manager while they relinquish detail work or take things easier though retaining control of overall agency policy.

A sensitive mental readjustment to another's exercising controls in the agency must be made by the agent who relinquishes some of his functions. Unless it is made there is great probability that he will have to start all over again to develop a new associate.

The mental realignment involves an elementary concept in human relations. In essence it is that the agent reconcile himself to pulling the strings in the office and surrender some of the prestige and niceties of control as well as the work to his new assistant.

The chain reaction leading to the recent resignation of one office manager began soon after the announcement of his appointment appeared in the trade press. During the ensuing days field men, making their calls, looked up the new man and, as a usual part of the chit chat and getting acquainted on these occasions, the office manager was made the center of attraction. With all the emphasis on him the agent was ignored. The upshot of the somewhat impolitic behavior by the specials and the less than tactful office manager, either of whom should have shunted some attention through the boss' office, was the departure within three months of the manager for another locale.

The agent may have acted like a prima donna but in his own shop he does have prerogatives and can exercise them as he wishes even to his detriment. In this instance the agent might better have relaxed and rejoiced over his newly lessened responsibility unless he thought he was being sidetracked on decisions he thought he should have made. Instead he let the thing nettle him and in a short period of time it contributed to warping his mind about the man.

Perhaps for the office manager the change was too fast for him to become acclimated to the transition. If that is so, then another advantage of bringing in a young man and developing him gradually is seen. The agent will have much more time to become accustumed to seeing his former functions being carried out by someone else. That doesn't happen so readily when an experienced manager capable of taking over immediately is brought into the agency.

Leave Us Not Go Overboard

In letters, memorandums, reports, and in the actual policies the companies sell, insurance people are engaged in communicating ideas through the written word to an extent that prevails in few other lines of work. So they should be grateful for the effort that Rudolf Flesch is making to take the stuffiness and phony fanciness out of writing and make it more relaxed and conversational. In fact, we editorially applauded Mr. Flesch's "The Art of Plain Talk" when it came out several years ago.

But now we are beginning to have an uneasy feeling that maybe this thing will be carried too far. In Printers' Ink for June 30 Mr. Flesch had an article recommending what he calls "shirt-sleeve English" in writing. It just means writing like you talk. His basic rules are these: Go slow on rare and fancy words and don't worry too much about avoiding repetition, or slang, or being ungrammatical.

There is some danger, though, that the people who most need Mr. Flesch's guidance will apply his rules too literally, just as they have been applying the earlier, overly formal rules too literally. Obviously, you shouldn't exasperate your reader with words so rare he can't understand them or distract him with words so fancy that he gets to thinking about how esoteric (sorry, Mr. Flesch) the word is instead of what you are trying to say to him. Yet people know the meaning of a lot more words than they use in writing or than they, or most other folks, use in conversation. Sometimes tossing such a word into an otherwise fairly commonplace bit of writing will give it a piquancy that it needs to give it individuality and make it stand out in the reader's mind.

Now, about avoiding repetition. Until people get used to shirt-sleeve English, readers are going to think that overuse of repetition looks funny, Flesch or no Flesch. If they start counting the number of times you use the word "policy" in a single paragraph they are likely to lose the thread of your thought.

Same with slang. Mr. Flesch's emancipation proclamation for slang is going to cause a lot of hitherto restrained writers to go haywire. But slang needs an even more deft touch to use effectively than regular English does. If ineptly used, it can easily make the recipient of a letter wonder what kind of jerk he is hearing from and may even leave him in the dark on the letter's meaning. Slang is more regional than regular English and you can't be sure that an expression widely understood in your own locality will be understood in the same way in another part of the country.

About them there now grammar rules and such-like, we really ain't got no ideas, much of any, except that a lot of folks are goin' to be writin' like we think they hadn't oughta. It's all right to write like you talk but if you don't talk good, maybe you ain't likely to write good, neither.

Shirt-sleeve English, says Mr. Flesch, is being used more and more in business today. He quotes with approval this letter from an unidentified insurance company to an Ohio woman:

"Is our face red! One of our clerks overlooked the fact that our district manager had a l r e a d y issued his check to you. Consequently a home office check was mailed to you. We would like to personally shake hands with you and thank you for returning our check."

Leave us not deny that this is a big improvement on "We beg to thank you for," etc., that probably would have been written in the days before Mr. Flesch began getting in his licks. But without finding fault with the quoted letter, it seems clear that if the palsy-walsy motif goes much farther, the person who gets one of these new-style letters is likely to feel as he would if an over-friendly strange dog were to jump into his lap and start licking his face.

There are plenty of businesses where an excess of breezy informality won't do any harm. But insurance is a serious business, though it needn't be a pompous one. People like warmth and friendliness in letters about their insurance matters but they don't want them to sound like they were written by one bobby-soxer to another. Worse still would be any suspicion that the new type of letters was merely a pose, lacking in sincerity or a real feeling of friendliness.

The interest in simpler, clearer writing is an excellent thing for the insurance business, for people have long had the idea that insurance communications were by the nature of the business stuffy and formal. What we are pointing out is that this desirable trend may get out of hand if it isn't watched. Letter-writers who blindly followed the old rules are in danger of blindly following the new rules. Where they succeeded in making themselves merely dull before, they now risk making themselves laughable. They need education in taste and discrimination, or, lacking that, then restraints imposed on how far they may go in applying the new rules.

Not the least danger of going hog-wild in the informalizing of writing is that it may result in making the general run of writing as colorless and commonplace as the general run of conversation. Then we could expect to see a swing back toward the fanciness and formality we are now trying to get away from.

PERSONAL SIDE OF THE BUSINESS

John E. Greenwood, chairman of Excelsior, announces the marriage of his son, John Edson, to Miss Margaret Anne Barnes of Warren, O. The couple will make their home at Arlington, Va., while Lt. Greenwood is stationed with the navy at Quantico, Va.

Ray Plyly, casualty actuary of the Kansas department and with the department for 24 years, has been given a six months' leave of absence, which he is spending with the rating division of the California department at Los Angeles. During his absence R. L. Jewell is serving as acting casualty actuary.

B. H. Hill, for 54 years a local agent at Neodesha, Kan., has retired. Mrs. Suzanne Lockard has taken over the agency.

J. Earl Seaton of the Castle-Seaton agency, Jackson, Tenn., vice-president of Tennessee Assn. of Insurance Agents in 1949, suffered a heart attack but is reported recovering.

William E. Woodman, field representative at Chicago for Associated Aviation, has been called to active duty as a navy reservist at Glenview naval air station. Mr. Woodman is a lieutenant-commander and has charge of an air squadron. He reported for duty Wednesday. When the notification of his recall to duty was sent, Mr. Wood-

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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager. John E. Caughman, Pacific Coast Editor.

man was traveling in Iowa. He was granted an extra 24 hours to get back to Chicago and arrange his business matters.

Percy Bugbee, general manager of National Fire Protection Assn., has returned from a trip to France and England where he addressed the conference of International Technical Fire Committees at Paris and the British Institution of Fire Engineers in Bournemouth, Eng. During his stay in Paris, Mr. Bugbee was made an honorary member of the Federation Nationale des Sapeurs-Pampiers Francais. In London he visited several of the fire companies. He was made an honorary member of the British Institution of Fire Engineers.

N. F. P. A. has a large membership in England. The British Fire Protective Assn., which was organized in 1948, is "off to a good start and doing valuable work along similar lines to that of N. F. P. A." Mr. Bugbee reported.

David A. Solly, Jr., treasurer of Aetna Fire, has been elected a director of State Savings Bank of Hartford.

W. Ross McCain, president of Aetna Fire, has been reappointed chairman of the Charter Oak Bridge Commission. The commission will serve until Jan. 3, 1951, when the state highway department will take over its functions.

Edward L. Ravich has completed a quarter century with the Connecticut department, and his associates gave him a party to mark the occasion. Mr. Ravich, who is chief examiner casualty division, has served under Commissioners Dunham, Blackall and Allyn. He is a graduate of Syracuse University and Hartford College of Law, and was engaged in private accounting before joining the department.

Phil J. Braun, veteran Flint, Mich., agent and former president of Michigan Assn. of Insurance Agents, was presented a plaque by the Flint Kiwanis Club in recognition of his service to youth of the community. The presentation was made at the Kiwanis Health Camp which Mr. Braun helped found some 23 years ago.

Alfred L. Booth, local agent at Webster Groves, Mo., St. Louis suburb, was presented a silver bowl on his 35th anniversary as organist of the Webster Groves Presbyterian Church. He was a church organist at Princeton while a student there and he also wrote the music for the Triangle Club's shows.

D. W. Patterson, manager at Louisville of Underwriters Adjusting, is at St. Anthony's Hospital there, where he underwent a rather serious abdominal operation July 21.

Leo J. Buettner, prominent local agent, Johnston, Pa., takes an active interest in his community in making the lot of the blind and physically disabled a happier one. His advertising gives prominence to businesses operated by blind persons in that city which include a stationery store, news stand, grocery store, confectionery, music shop, and broom and mop maker. The name of the individual's seeing eye dog is displayed.

DEATHS

WILLIAM H. CLERKE, JR., 60, state agent for New Hampshire Fire at Philadelphia, died while vacationing at Ocean City, N. J. He had been with New Hampshire 37 years.

HARRY A. KARR, 59, former field man for Hartford Fire, died at Des Moines after a five-year illness. A graduate of Iowa State College, where he specialized in crop and soil management, Mr. Karr joined Hartford after the first world war. With the establishment of its hail department in 1922, he was transferred to Chicago as chief clerk. In 1924-45 he served as special agent of the farm and hail department in Iowa and Nebraska and in 1945 was transferred to Wichita in charge of the hail department for Kansas and Oklahoma. After he retired in 1947 because of ill health he returned to Des Moines.

FRED W. COLE, 82, Atlanta, first president of Georgia Assn. of Insurance Agents, died after a long illness. Mr. Cole not only helped organize the Georgia association and was its first president, 1898-1900, but served two other terms, 1902-1903 and 1914-1915. The agency is still operated by a son, Frederick W. Cole, Jr., under the name of Fred W. Cole & Son.

FREDERICK S. BYNON, 79, for 17 years attorney for the Oregon department, died at Salem after a short illness.

M. R. SMITH, 71, state agent of the Loyalty group in Arkansas since 1910, died in a Little Rock hospital. One son, Leavell R. Smith, is a Stuttgart, Ark., local agent and another, William R. Smith, a general agent at Little Rock. Mr. Smith was buried in Little Rock on Monday.

Mr. Smith started his insurance career as an inspector for the old Kentucky Rating Assn. and served as branch manager at Bowling Green, Paducah, and Owensboro. In 1910 he became state agent of Firemen's for Arkansas and Oklahoma with headquarters at Fort Smith. Later his office was moved to Little Rock, handling Arkansas only for Firemen's and other companies in the Loyalty group. From 1938 to 1947 he was chairman of the advisory committee of Arkansas Inspection & Rating Bureau.

JOHN F. WILLIAMS, oldest agent at Meriden, Conn., died there after a long illness. He was in the insurance business continuously for nearly 70 years, starting at 13 with the old Meriden Ins. Co., which later became Holt & Stevens. On the death of Mr. Stevens, Mr. Williams bought into the firm and since 1945 it had been operated under his name.

HAROLD D. DYKE, 60, for 30 years casualty manager of Travelers at Syracuse, N. Y., died there.

ROBERT W. FORSYTH, 64, former manager at Richmond of the North America group, died there. He retired June 30 after 30 years with the companies, which he joined as assistant secretary in the claims department of Indemnity of North America. He had served as manager of the indemnity company's Pacific Coast department.

C. D. KING, 70, who retired in April as auditor for Hartford Fire at Chicago, died July 23, three weeks after the death of his wife.

WILLIAM A. BELL, 74, local agent at Brownwood, Tex., died from a heart attack at the home of his son at Fort Worth.

CONE J. THOMPSON, 57, of the Thompson-Hicks agency, Tyler, Tex., died there.

FREDERICK L. CARL, owner-operator of Columbia Insurance Service, Washington, D. C., died at his home at Capon Bridge, W. Va.

JOHN ROHDE, 64, deputy chief surveyor for U. S. Salvage Assn., died at Salisbury, Md. He joined Salvage Assn. in 1931.

JOHN WINTERBURN, 63, Fort Atkinson, Wis., past president of Jefferson County Assn. of Insurance Agents, died there after an illness of several months.

MICHAEL R. BOLER, 74, local agent at Jackson, Neb., for many years and president of the now defunct Bank of Dakota County, died at Sioux City, Ia., after a long illness.

Start Stock Sales for New Portland, Ore., Insurer

PORTLAND, ORE.—Work of raising $2 million to finance Pacific States Fire & Indemnity is under way following the appointment of Jacob Dobrin as fiscal agent. The new company, sponsored by a group headed by Ex-Governor John W. Hall, recently received its permit to sell stock.

It is proposed to sell 10,000 shares of common stock at $200 a share, create capital of $1 million and surplus of a like amount.

Mr. Dobrin is president of Intermountain Fire and Intermountain Fidelity of Helena, Mont., both of which he organized. He has had extensive experience in organization and financing work. In Seattle he organized Mutual Union Life and Mutual Union Casualty. He was formerly manager of Northern Life and Occidental Life.

Zone 5 Dates Set

The fall meeting of zone 5 of National Assn. of Insurance Commissioners is slated for the Kansan hotel, Topeka, Oct. 12-13, according to Graves of Arkansas, the chairman.

Insurance Company of Maryland has moved to larger quarters in the Munsey building, Baltimore. Increase in the business volume as well as surplus fire lines has necessitated the expansion.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago
July 24, 1950

Aetna Casualty	3.00	88	92
Aetna Fire	2.20*	53½	55
Aetna Life	2.50	54	55½
American Alliance	1.20	23¾	25
American Auto	2.00	46	50
American Casualty	.80	16	17
American (N. J.)	.90	18½	19½
American Surety	3.00	56	58
Boston	2.40	53	55
Camden Fire	1.15*	22	23
Continental Casualty	2.50*	54	55½
Fire Association	2.60	56	58
Fireman's Fund	2.60	84	86
Fireman's (N. J.)	.60	20	21
Glens Falls	2.20*	47	49
Globe & Republic	.50	11½	12½
Great American Fire	1.30*	28½	30
Hanover Fire	1.60	30	32
Hartford Fire	3.00*	109	111
Home (N. Y.)	1.60	33½	34½
Ins. Co. of North Am.	3.50*	101	103
Maryland Casualty	.80	16½	18
Mass. Bonding	1.60	26½	28
National Casualty	1.50*	30½	32½
National Fire	2.50*	54	56
New Hampshire	2.20	42	44
New Amsterdam Cas.	1.40	33½	35
Ohio Casualty	1.20	60	Bid
Phoenix, Conn.	3.00*	69	71
Preferred Accident	...	3¾	4½
Prov. Wash.	1.40	29	31
St. Paul F. & M.	2.60	99	101
Security, Conn.	1.60	30	32
Springfield F. & M.	2.00	43	45
Standard Accident	1.60	33	35
Travelers	12.00	425	435
U. S. F. & G.	2.00	44	46
U. S. Fire	2.00	66	68

*Includes extras.

A local garage owner

had always thought that his Liability insurance coverage was complete and adequate. But Agent William D. Jones, armed with the special knowledge gained at The Ætna's Sales Course, quickly spotted a serious loophole. This so impressed the garage owner he asked Mr. Jones to make an analysis of *all* his insurance protection.

The Ætna Plan

which Mr. Jones prepared proved an eye-opener. The garage owner was amazed at its scope and delighted at its simplicity. He said no one had ever given him such a clear picture of his insurance. Today, he is an enthusiastic booster for Mr. Jones and refuses to have anyone else handle any of his insurance.

"Any man who successfully completes The Ætna Sales Course can succeed in insurance"

says William D. Jones, *Ætna-izer*
Sacramento, California

"Whether a man has been in the insurance business ten years or ten days, the training he receives at The Ætna's Home Office Casualty and Surety Sales Course gives him the confidence, enthusiasm and knowledge essential to success.

"He will learn the methods which make Ætna's program for acquiring and developing customers so effective. He will become well versed in the use of The Ætna Plan and Plandex — to me, the best and most efficient sales tools available for analyzing insurance requirements and indicating where improvements are needed. And, even after he has left the School, he will continually receive up-to-date information on successful selling methods.

"I am convinced that the man who chooses insurance as his profession will make his wisest investment by completing The Ætna's Sales Course. He will be well rewarded for his time and effort, and there is no question as to his final success. It is being done every day by Sales Course graduates all over the U.S.A."

Ætna Casualty and Surety Company

The Ætna Life Affiliated Companies write practically every form of insurance and bonding protection

LIFE AND CASUALTY	FIRE AND MARINE
Ætna Life Insurance Company	Automobile Insurance Company
Ætna Casualty and Surety Company	Standard Fire Insurance Company

Hartford 15 Connecticut

The NATIONAL UNDERWRITER

CASUALTY and SURETY SECTION

July 27, 1950
PAGE 15

War Emphasizes Need of Crime Cover and Loss Controls

Employers Alerted to Effect Mobilization May Have on Employe Staffs

NEW YORK—The war situation has alerted employers to the effect any degree of mobilization will have on employe staffs. As Walter L. Flynn, president of the Commercial Crime Commission here, points out, between now and the end of the year approximately 500,000 men will shift from civilian to military pursuits, and as mobilization goes on there will be a constantly increasing drain on industrial and business personnel. Mr. Flynn was formerly manager of the research department of National Surety, is chairman of the Surety Claim Men's Forum of New York City, and is a member of the Assn. of University Teachers of Insurance, National Law Enforcement Associates, the Chamber of Commerce of the City of New York, and American Statistical Assn.

W. L. Flynn

Mr. Flynn's organization keeps members, commercial enterprises of all kinds, aware of hazards affecting crime as they arise so that the commission can be of assistance with safeguards. He points out that in the last war there was an epidemic of teller shorts in banks. Department and retail stores experienced an increase in shoplifting, particularly among teenagers. Perhaps this was caused by the fact that in many homes the father was in service and the mother was working in a war plant.

Relaxation of Controls

But the most serious situation was internal. That was the relaxation in accounting controls because of the shortage in manpower. That shortage affected personnel on the accounting side and it also influenced the quality of personnel with which business firms had to work during the war. In addition, the circumstances created an atmosphere in which men committed dishonest acts they would not have done in normal times. A good many men were about to be drafted. They felt frustrated because of the uncertainty of their future, and did what they would not do ordinarily. Some of these shortages were not discovered until after the auditors returned from the war.

It is probable, Mr. Flynn said, that the same type of losses will occur now as it did in the last war, and probably some new ones which cannot now be foreseen. An example of the possibilities in this respect is that after the last war there were quite a few burglaries of safe deposit boxes, something unusual, by use of acetylene torches, a procedure learned in defense plants.

Adequate Cover Emphasized

The war emphasizes the importance of adequate fidelity coverage and of continuous coverage, Mr. Flynn pointed out. War conditions enhance the value

(CONTINUED ON PAGE 21)

Surety Premiums Rise in '49, Fidelity Off; Loss Ratio Up

Nationwide earned premiums and incurred losses for fidelity and surety business for companies licensed in New York have been compiled by the New York department. The figures are on a net premium basis after reinsurance. Incurred losses are based on case estimate reserves and exclude allocated claim expenses.

For 1949, the tabulations include figures of both casualty and fire companies writing auto liability insurance. The columnar arrangement of expense groups has been changed to conform with the revised form of insurance expense exhibit for 1949. Because of fluctuations in premium volume from year to year, expense ratios have been adjusted so as to relate certain types of expense to written premiums in order to present more accurate results. The expense ratios do not include federal income taxes.

Stock companies show a decrease of nearly $14 million in net premiums written for fidelity business, but the surety premiums increased approximately $12½ million. Stock companies' incurred-earned loss ratio increased three points to 34.0. Underwriting expenses were 58.5 as compared with 53.4, while the underwriting gain was 7.5, a drop of 8.1 points. The surety loss ratio was 15.3 compared with 13.1, expenses were 61.0 compared with 56.1, and the loss ratio for 1949 was 23.7 compared with 24.8 in 1948.

Mutual companies had an increase in net fidelity premiums of $300,000 while the loss ratio and expense ratio increased 9 and 10 points, respectively. The underwriting gain dropped from 23.1 to 4.1. Surety business for mutual companies declined $31,000 on a net premium basis, and the loss ratio was 95.4 as compared with 112.6 in 1948. Expenses were up slightly and the underwriting loss was 42.8 as compared with 59.6.

Reinsurers had a $1,400,000 drop in net premiums on fidelity, and the loss ratio increased 7.3 points. Expenses were up slightly and the underwriting gain dropped from 15.3 to 6.1. On surety business, reinsurance companies had an increase of nearly $2 million in net premiums and a slight improvement in the loss ratio. Expenses also were lower and the underwriting gain increased from 11.6 to 13.8.

Fidelity Insurance Aggregates

Stock Companies

	Country-wide Underwriting Ratios					Country-wide Expenses Analysis				
	Net Premiums written	Net Premiums earned	Losses incurred to earned	Exp. (adj.)†	Net gain (adj.)†	Claim exp. to earned	Comm. to written	Other acq. to earned	Gen. exp. to earned	Taxes & fees to written
1945	$56,525,293	$37,602,907	17.9	53.4	28.7	7.6	24.9*	...	17.6	3.3
1946	37,419,985	37,345,440	19.7	57.9	22.4	7.8	30.1*	...	16.8	3.2
1947	35,006,287	39,273,338	23.9	56.8	19.3	8.5	30.3*	...	14.8	3.2
1948	56,148,369	41,154,861	31.0	53.4	15.6	9.0	24.7*	...	16.7	3.0
1949	42,495,675	43,771,868	34.0	58.5	7.5	10.5	16.8	12.9	15.1	3.2

Mutual Companies

1945	1,340,692	1,174,913	46.0	27.9	26.1	9.4	4.1*	...	12.0	2.4
1946	1,529,458	1,269,038	28.2	31.2	40.6	8.8	7.7*	...	12.8	1.9
1947	1,595,092	1,421,746	44.6	34.0	21.4	7.9	11.8*	...	12.1	2.2
1948	1,875,683	1,572,667	40.2	36.7	23.1	9.9	10.8*	...	13.6	2.4
1949	2,160,650	1,826,645	49.2	46.7	4.1	14.3	3.9	14.1	12.2	2.2

Reinsurance Companies

1945	5,812,504	3,964,648	29.9	49.6	20.5	1.3	42.4*	...	4.8	1.1
1946	4,453,790	4,094,708	30.4	50.3	19.3	1.8	42.9*	...	4.3	1.3
1947	5,053,681	4,652,275	34.0	49.8	16.2	2.4	43.3*	...	3.1	1.0
1948	7,432,461	5,488,727	36.1	48.6	15.3	1.7	42.5*	...	3.3	1.1
1949	6,053,152	6,062,504	43.4	50.5	6.1	3.0	44.1	1.2	1.8	.4

Surety Insurance Aggregates

Stock Companies

1945	35,039,866	34,888,087	-.9	58.5	42.4	5.6	33.5*	...	16.3	3.1
1946	44,589,186	38,103,166	-3.8	61.5	42.3	5.6	34.4*	...	18.4	3.1
1947	53,494,786	46,008,296	7.8	61.2	31.0	6.4	35.4*	...	16.4	3.0
1948	67,445,806	57,079,652	13.1	56.1	30.8	4.7	33.1*	...	15.3	3.0
1949	75,910,987	68,711,947	15.3	61.0	23.7	4.8	24.8	14.1	14.2	3.1

Mutual Companies

1945	70,379	51,074	35.8	43.8	20.4	3.0	33.6*	...	6.4	.8
1946	137,447	92,754	38.2	40.5	21.3	4.2	18.3*	...	15.7	2.3
1947	266,738	212,568	68.9	36.6	-5.5	4.6	19.4*	...	10.6	2.0
1948	431,910	322,821	112.6	47.0	-59.6	8.5	30.6*	...	7.4	.5
1949	400,933	452,996	95.4	47.4	-42.8	3.8	35.1	4.4	3.2	.9

Reinsurance Companies

1945	2,911,850	2,852,639	8.8	54.5	36.7	3.0	46.0*	...	4.3	1.2
1946	4,548,321	3,547,831	-8.7	51.9	56.8	1.5	43.9*	...	5.0	1.5
1947	6,312,250	4,997,120	13.3	55.3	31.4	3.4	47.1*	...	3.8	1.0
1948	9,812,651	7,449,509	34.7	53.7	11.6	3.3	45.6*	...	3.6	1.2
1949	11,645,689	9,977,127	34.0	52.2	13.8	2.1	46.4	1.4	1.9	.4

†These ratios show results before consideration of Federal income tax.
*Includes other acquisition expense.

Fidelity

Stock Companies

Acc. & Cas.	$ 70,397	$ 59,539	20.2	80.4	-.6	7.7	19.3	17.2	31.9	4.3
Aetna Cas.	2,079,788	2,284,528	32.7	55.1	12.2	10.6	17.7	15.4	8.3	3.1
Amer. Auto	316,471	158,603	52.1	118.9	-71.0	20.8	20.0	29.9	45.2	3.0

(CONTINUED ON PAGE 22)

Company Executives Are Now Assessing Problems of War

Exclusion Clause to Go in E.C.; WDC, Personnel, Supplies Studied

Fire and casualty executives are devoting real thought and attention to the effects of war on the insurance business and the problems the war will create for them in the months ahead. No one knows, of course, how much war there is going to be, how fast it is going to come, and therefore the rapidity with which such things as mobilization of manpower and resources will cut into the normal operations of the business.

But there is a disposition among the leaders in the executive ranks to assess the situation carefully and do it now so that as war moves are made their results within the business will not catch by surprise those to whom the business naturally looks for firm and intelligent guidance in critical times.

Pattern Is Familiar

One thing that helps is the fact that the pattern of developments of the last war is so fresh in mind. Those in the business at least know some of the things that are apt to occur and to be able to judge by past experience what their influence is apt to be on the daily business of insurance.

However, insurance is not quite the same business it was during the last war. Almost complete country-wide rate regulation imposes on the business many obligations, generally of a statutory nature, that it did not have in 1941. Another difference is the character of the present "war," which is a war in miniature that adumbrates a possibly larger conflict, time and place of which are highly speculative, at least to those in this business. There are some executives who now think that though the shift to a war economy may be gradual, the country may be in for a long period in which it will be on a war footing to a greater or lesser degree and that that kind of situation is probably what is going to have to be planned for.

In thinking out the problem with which the business is faced, executives are dividing it into three major divisions — underwriting, supplies and equipment, and personnel.

UNDERWRITING

On the underwriting side, there has been a joint industry committee working for the past two years or so on the development of a modern war risk exclusion clause. The committee is composed of representatives of fire, casualty and marine, both inland and ocean, and of all types of carriers, stock, mutual and reciprocal. This war clause, which already has been inserted in inland marine forms, has been modernized to fit the modern approach to war.

For example, instead of talking about enemy attack, of invading forces, etc., the new exclusion clause considers war, as must be done today, as a global matter, inclusive of nuclear weapons and thus looking to the substance of warlike activity rather than trying to tie in with old fashioned definitions like "enemy" or old fashioned formalities

(CONTINUED ON PAGE 21)

F. & D. Has 13 Field and Home Office Changes

Fidelity & Deposit has made a number of promotions and other changes among the field and home office organizations.

Paul S. Wise, for the past two years manager at Oklahoma City, has been elected an assistant secretary of F. & D. and American Bonding and named manager at Brooklyn, succeeding the late Thomas J. Ternan, Jr. Also at Brooklyn, Allan M. Race, formerly assistant manager, has been advanced to associate manager. The branch continues under the active direction of H. R. C. Hickey, vice-president.

A graduate of the University of Maryland, Mr. Wise joined F. & D. in 1937. He was appointed a special agent in Cleveland in 1939 and served there until 1942 when he joined the army. After the war he rejoined the company at Cleveland, and in 1946 was made assistant manager at Cleveland. He was promoted to manager at Oklahoma City in 1948.

Mr. Race has been with the company since 1925. He started in the home office and served successively in the salvage division of the claim department and in the reinsurance division of the contract bond department. In 1929 he was appointed contract underwriter at Brooklyn and in 1937 was made an assistant manager. He is a law graduate of the University of Maryland.

Charles E. Hoge, assistant manager at Atlanta, succeeds Mr. Wise as manager at Oklahoma City and in turn has been succeeded in Atlanta by James J. Duncan, special agent there.

Mr. Hoge has been in the field for F. & D. since 1929 and served at Louisville and Kansas City before going to Atlanta in 1942. He was appointed assistant manager there in 1947.

Mr. Duncan has been with F. & D. at Atlanta as special agent since 1939. He is a graduate of the University of Virginia.

Lowe Returns to Syracuse Post

In Syracuse, William L. Lowe has returned to his former position as manager, following a year's leave of absence. Associated with the F. & D. since 1923, Mr. Lowe was appointed Syracuse manager in 1938.

John C. Gardner, manager at Syracuse since August, 1949, has been appointed an assistant manager of the agency department at the home office. He has been with the F. & D. since 1930. Prior to his appointment in 1948 as assistant manager at Syracuse, he had served as special agent in Detroit and Grand Rapids.

Edward Thron, Jr., has been advanced from assistant manager to manager at Omaha, which is under the active direction of Wm. H. Bock, vice-president. A graduate of the University of Baltimore law school, Mr. Thron has been with F. & D. since 1926. After several years in the home office, he was appointed special agent at St. Louis and continued there until 1947 when he was assigned to Omaha as assistant manager.

Changes at Louisville, Washington

Everett Meredith has been advanced from special agent to assistant manager in Louisville. He succeeds John H. Trueheart, who recently was promoted to associate manager at Kansas City. Mr. Meredith started with F. & D. in 1940 and has served at Baltimore, Philadelphia, Indianapolis and Memphis.

Rollie D. Gillis, Jr., special agent at Washington, has been transferred to the home office as an underwriter in the public official department. A graduate of Princeton University, Mr. Gillis has been with F. & D. since 1949.

In the home office, George A. Conner has been advanced to manager of the fidelity department, Albert W. Sparrow has been named assistant manager, and R. Conley Ricker has been made superintendent of the federal, fraternal and miscellaneous division.

New Appointee's Careers

Mr. Conner has been with the fidelity department since joining F. & D. in 1928. In 1943 he was appointed assistant to the vice-president in charge of the department and was elected as assistant secretary. He was promoted to assistant manager in 1948. He is a graduate of Johns Hopkins University.

Mr. Sparrow is a graduate of Columbia University. After joining F. & D. in 1924, he served for a brief period in New York, then was transferred to the home office as a clerk in the general fidelity division. He later became assistant superintendent of that division and in 1934 was appointed superintendent of the federal, fraternal and miscellaneous division. He was elected an assistant secretary of both companies in 1935.

Mr. Ricker has been with the fidelity department since 1923, advancing to the position of assistant superintendent of the federal, fraternal and miscellaneous division in 1941. He was educated at Johns Hopkins University.

Casualty Premium-Surplus Ratio of 1.8 to 1 Still O.K.

One item of interest in the report of the New York insurance superintendent to the legislature just issued, is its comment that a ratio of 1.8 to 1 of casualty and surety net premiums written to policyholders surplus "is still within the limits which this department has considered over a long period of years as being conservative." Its estimate of premiums to surplus for 1949 was $2 billion premiums to $1,100,000,000 surplus.

However, due to unprecedented demands for insurance, some companies now exceed that limit, the department comments. Relation of premium writings to surplus will continue to receive the close attention of the department, it states.

As to multiple line, the report points out that of 336 fire and marine insurers entered in New York, nine have extended their powers to write full cover motor vehicle and aircraft, 14 multiple line reinsurance, 21 multiple line reinsurance and direct and 48 full multiple line. Of stock casualty companies, 52 have been licensed to write motor vehicle and aircraft, 48 multiple reinsurance, 23 multiple lines outside U. S., and 27 fire and miscellaneous property and marine.

Group A. & H. in U.S. Increased 20% in 1949, Says L.I.A.

A. & H. protection in the United States provided by group plans written by insurance companies increased 20% last year, based on the amount of premiums paid, and was more than double the volume of such protection for 1945, Life Insurance Assn. of America reports. The volume of group life insurance and group annuities also showed substantial increases in 1949. These advances in the various types of group protection are shown in the annual survey of group insurance coverage just completed by the association. The survey includes the business of all insurance companies, life, casualty, and A. & H., writing group coverage in the United States.

Total premiums put into group insurance programs in 1949 by employers and employes combined amounted to $1,466,700,000, while in 1945 the equivalent figure was $827,100,000, L.I.A. states.

The number of employer-employe and other group units which added one or another of the various forms of group protection last year was the highest on record. Thousands of firms initiated new group plans for their employes: 2,791,000 persons acquired the protection of group hospital expense benefits; 2,796,000 were brought under group surgical expense benefits; 966,000 were brought under group medical expense benefits; 1,685,000 became protected by weekly income benefits payable in case of accident or sickness; 865,000 were brought under group accidental death and dismemberment protection.

As a result of these many new plans in the past years and additions to plans previously existing, group insurance outstanding at the start of this year covered: 17,697,000 employes and dependents with hospital expense benefits; 15,590,000 with surgical expense benefits; 2,736,000 with medical expense benefits; 10,260,000 persons with $228,400,000 weekly income protection in event of accident or sickness; 17,090,000 with $39,983,800,000 group life insurance protection; 6,015,000 with $2,054,300,000 group creditor's life insurance covering balances on loans; 6,669,000 with accidental death and dismemberment.

Statement in Regard to John D. O'Neil Corrected

An article in the July 20 issue regarding certain activities in connection with Keystone Mutual Casualty, which was sent in by the Harrisburg correspondent of THE NATIONAL UNDERWRITER, contained this sentence:

"Former Vice-president John D. O'Neil of Keystone Mutual, freed on a directed verdict at the time two other officers were convicted of issuing false financial statements, is chairman of the present policyholders group seeking to rehabilitate the company."

In commenting on this statement, a letter from Reed, Smith, Shaw & McClay of Pittsburgh says:

"The fact is that Mr. O'Neil was never accused of any wrongdoing in connection with this company or any other company, never was indicted, never stood trial and therefore, of course, was never acquitted by directed verdict or otherwise.

"The implication of your story is that there was an indictment and trial of Mr. John D. O'Neil when he was in fact the only major officer of the company who was given a clean bill of health in the investigation which led to the suspension of the business of Keystone."

THE NATIONAL UNDERWRITER greatly regrets the injustice done to Mr. O'Neil by the publication of this material and any unfavorable effects it may have had on the attempts to rehabilitate Keystone Mutual, and is glad to make this correction.

Survey Employe Benefit Plans of 140 Banks

A survey of 140 selected banks located in every state, with resources ranging from $8 milion to $1,400,000,000, to determine the extent which the banks provide employe benefit plans, was conducted by the committee on bank personnel administration of National Assn. of Bank Auditors & Controllers. The committee is headed by Sumner G. Sinclair, auditor of the Northwestern National Bank of Minneapolis, and its survey was reported in "Auditgram," the association's monthly publication.

These plans include a variety of things such as bonuses, education and training, as well as benefits related to insurance.

Group life programs are in effect in 41 banks under many plans and formulas providing insurance ranging from less than $1,000 to $10,000. Of 41 banks, 27 have plans that are contributory up to approximately 50% of cost.

When is employe eligible? 9—One year. 9—Six months. 14—90 days. 2—30 days. 6—Date of employment. 1—Beginning of next calendar quarter. Three banks require physical examination for insurance, others non-medical.

In 17 banks, all or part of the insurance continues after retirement; most others state that employe may convert or elect to carry coverage at his own cost, with a few reporting a minimum amount of coverage, such as $1,000, which in some cases is entirely paid for by the bank.

Disability Coverages

Group permanent disability coverage is provided by 13 and a number report it is being considered. The plan is contributory in four; all of the cost is paid by the other nine. Eligibility ranges from the date of employment to one year after employment. Only one bank reports a physical examination is required.

One of 50 banks reports temporary disability coverage on a formal basis, though a number indicate this coverage is provided through a continuation of salary or by special award in exceptional cases.

Hospital Protection

Group hospitalization: 41 of 50 banks have some kind of plan. Blue Cross is the carrier for 22, 13 have an insured plan, and three have both. One bank has its own plan. Hospitalization ranges from 21 to 120 days, with some exceptions. Direct dependents are covered by 31 of the 41 banks if desired, but at extra cost. The plan is contributory in 20 banks, not in 11, and in nine the employes pay all the cost. The contributory arrangement ranged from employes paying only for dependent insurance to a $1 charge plus full cost of dependent, to 75% of total cost. Eligibility for hospitalization ranges from date of employment to one year after.

Group surgical operation coverage is provided by 31 banks— 15 through an insured plan, 14 through Blue Shield, and one through both, while one administers its own plan. The benefits generally range from $10 for an operation up to a maximum of $5,000. For the most part, however, the maximum is reported as $225.

Direct dependents are covered by 19 of the 31 banks, and these 19 report the plan is contributory. In 12 the employe pays entire cost. Eligibility ranges from date of employment to six months after. Coverage for group medical expense is available in eight banks, with benefits up to $250 for any one illness. Direct dependents are covered in six banks, which also report the plan is contributory.

Group retirement annuity programs are in effect in 32 banks, 14 trusteed, four profit sharing. Maximum pensions were reported by four banks, ranging from $8,500 a year to $15,000 a year.

Only 11 of 32 banks with a retirement annuity program report that vesting is provided, while eight report a death benefit or cash surrender value, which generally is equal to the employe's contribution, sometimes including interest at 1½% to 2%.

Only 15 of the 32 banks report that their plan is contributory. Employe contributions generally range from 2% of salary through 2% of the first $3,000 and an excess on that portion over $3,000 to 4% of salary. Eligibility provisions vary considerably.

Two New Safety Films Released by Aetna Cas.

Two new motion pictures, one on highway safety and another on the proper handling of commercial high explosives, have been released by the public education department of Ætna Casualty. Both films, produced in 16mm. with sound by Ætna's motion picture bureau, are 10 minutes in length.

"Fatal Seconds" underscores the folly of taking a chance when behind the wheel of a car. Based on the tragic story of a normally cautious driver whose impatience led him to pass on a hill, the film portrays how a lifetime of careful driving can be undone by a single impulsive act.

"Before the Blast", another in a special series of films dealing with safety problems in the construction industry, illustrates the basic safety rules in connection with the transportation, storage and use of commercial high explosives.

FDIC Coverage Now $10,000

Congress has passed an amendment to the federal deposit insurance act increasing coverage of individual deposits from $5,000 to $10,000. The new bill also simplifies computation of assessments charged insured banks.

Prior to passage, an amendment designed to prevent reduction of assessment payments by insured banks and an amendment delaying any reduction of assessment payments until the fund reaches $2 billion were rejected.

Standard Football Schedule Out

Standard Accident has sent its agents a copy of the company's annual compilation of football schedules of leading colleges and universities. As in previous years, the 1950 schedule is pocket size and indexed for ready reference. The teams are grouped by conference, and there is a miscellaneous grouping of leading teams not in a conference. The schedule of the National Professional Football League is also included. Nearly 500,000 of these schedules are distributed by Standard agents annually.

DBL Claims Forms

The New York State workmen's compensation board has released forms DB 470 and DB 471, which are the preliminary and final claim papers for reimbursements of benefits paid under New York DBL. They are used when there is disagreement between carriers on whether the workmen's compensation or disability benefits carrier should pay the claim.

Form Contractors Agency

The Shaw-Bannitz agency has been formed at Minneapolis to act as insurance buyers for contractors. The offices are in the Baker building. William and Charles Bannitz have been in the liability and compensation business for many years, and Norman Trout, another member of the firm, is also a former company man. Charles Shaw has been in the surety business for 20 years.

ACCIDENT AND HEALTH

Loss Ratios Under Cal. UCD Plans Up

Analysis of the reports on 1949 operations made to the California department by the 39 private companies underwriting voluntary UCD plans in that state shows incurred losses were more than 68% of premiums earned and that the net profit for all companies on 1949 business was 5.45%.

The analysis, made by Leland B. Groezinger, San Francisco insurance attorney, shows total premiums received by private companies were slightly more than $25,400,000 and that they paid the state over $1,100,000 in taxes, licenses, government charges and fees. Twelve of the 39 companies showed a loss for the year, Mr. Groezinger pointed out.

"Due to the addition of the $8 daily hospital benefit amendment by the 1949 California legislature, which became effective Jan. 1, 1950, and which involved no additional premium, it can be expected that total benefits paid in 1950 will be considerably higher than in 1949," Mr. Groezinger said. "Consequently the loss ratio will be considerably higher and profits will be less in 1950." In support of this prediction, he pointed out that the state disability fund, which pays benefits lower than the voluntary plans, is now paying benefits running from 113% to 128% of those for comparable months in 1949. He feels that the claims experience of the voluntary plans will be parallel to that of the state.

More than 33,300 voluntary plans have been approved by the state department of employment. Estimated number of employes they cover is 1,207,749 and wages paid these employes are believed to be more than 50% of the total paid in covered employment in California.

California law, in providing that private companies may write UCD, stipulates that benefits offered under private plans must always be more liberal than those afforded by the state plan. Mr. Groezinger feels that these extra benefits, plus the private companies' reputation for faster claims service, account for the increasing popularity of voluntary plans among California workers.

Interstate Reserve Hires Haight

Interstate Reserve Life of Chicago has hired Russell S. Haight, former vice-president of Bankers Mutual Life of Freeport, as Illinois state manager. Mr. Haight formerly was in charge of the agency organization for Bankers Mutual. For some years he ran his own general insurance agency at Holland, Mich. Mr. Haight's headquarters will be in the Smith building at Freeport. Interstate specializes in hospitalization and also writes life and A. & H.

N. Y. Blue Cross Extends Cover to Polio Victims

Hospitalization benefits covering poliomyelitis have been added to the benefits of Associated Hospital Service, the New York Blue Cross plan. Although the contracts do not cover communicable diseases requiring isolation and quarantine, an exception will be made in the case of polio to provide for the usual acute phase of the disease.

When members are hospitalized for the initial acute stage of polio full benefits will be paid for 21 days plus discount benefits for nine additional days. If post-polio surgery should be required further benefits will be provided beyond the 30-day period.

Offers Catastrophe Contract

To meet exceptional cases—the prolonged hospital confinements caused by serious accident or illness that often are very costly—Business Men's Assurance has put out a catastrophic hospital expense supplement. It provides an income of $300 a month beginning with the 91st day of disability and continuing for the next nine months, thereby providing benefits for one full year. It is available to men and women 15-65 and dependent children three months to 18 years. It may be issued with any combination A. & H. or hospital expense plan except guaranteed renewable.

Opens Springfield Branch

American Hospital & Life has opened a branch office at Springfield, Ill., with Robert H. Toombs, formerly with New York Life, as manager.

Woodmen Accident Rally

Woodmen Accident and associated companies held a three-day sales conference at Scottsbluff, Neb. Harry Madsen is western Nebraska supervisor. About 35 representatives from Wyoming, Montana, South Dakota and western Nebraska attended. Sessions were directed by Glen Harvey, educational director; E. J. Faulkner, president, and Trev Gillespie, assistant to the president.

B. C. Plan Still in Red

Despite the fact that premium collections are well ahead of a year ago, the British Columbia government's hospital insurance plan is still operating under a sizable deficit, according to Hospital Insurance Commissioner Detwiller. The premium rate now is $2.75 for married persons and $1.75 for single. While the government has budgeted $2½ million to help meet this year's deficit, it is doubtful whether the amount will be sufficient.

Directors of **Sterling** of Chicago have declared a dividend of 10c a share, to be paid Aug. 5 to stock of record Aug. 1.

CHANGES

Hartford Steam Boiler Managers Exchange Jobs

H. A. Blocker has been appointed manager at Minneapolis of Hartford Steam Boiler, and D. H. Tester manager at Seattle.

Mr. Blocker joined the company in 1944 as special agent at Chicago following a number of years in selling and sales supervision work. He was named manager at Seattle in 1949.

Mr. Tester had several years' experience in public utility power plants and in sales work before joining the company as a special agent at Seattle in 1942. After two years' war service he rejoined the company at Seattle in 1946 and was transferred to Detroit in 1948. In 1949 he was appointed manager at Minneapolis.

Linder Eastern V.P. of Mich. Mutual Liability

Fred M. Linder, Jr., has been appointed resident vice-president of Michigan Mutual Liability's eastern division. He has been with the organization since the opening of its New York office in 1948, and was assistant to H. W. Gibson, former eastern manager, who died July 14.

Edward Shea, Jr., former engineering manager in the New York office, is promoted to underwriting manager; Joseph Ferri to assistant underwriting manager, and John Ellertson, assistant engineering manager, to manager of that department.

Hartford Accident Promotes Lloyd at Cincinnati

Robert F. Lloyd, superintendent of agencies at Cincinnati for Hartford Accident, has been promoted to assistant manager.

A graduate of the business school of the University of Pennsylvania, Mr. Lloyd has been with Hartford Accident since 1939. He served as special agent in Tennessee and Ohio.

Schleh to Detroit Mutual

Lauren W. Schleh has been appointed vice-president and actuary of Detroit Mutual, automobile insurer. Since 1947 he has been office manager and actuary of Locomotive Engineers & Conductors Mutual Protective. Before that he was actuary of Grange Life and Detroit Life, partner in an agency, manager of State Farm companies, consulting actuary and insurance accountant.

Raines Co. Named in Ark.

American Indemnity has appointed E. E. Raines Co. of Little Rock as general agent for Arkansas. It is one of the old established general agencies in that state.

Laws Named in Cal. Field

Chester G. Laws has been named by American Surety as special agent at Los Angeles. He is a graduate of Montana State University. He started with American Surety at Los Angeles in 1949 after service as a flight officer in the air corps during the war.

MacGregor to American Re

American Re-Insurance has appointed Malcolm A. MacGregor to work under W. B. Wise, vice-president in charge of the claim department.

Mr. MacGregor was with the claim department of Liberty Mutual in New York 1941-1949, and with National Surety in its home office until July 1.

Reed to Buffalo Agency

Gordon F. Reed has been appointed casualty manager of the Richard W. Michaels agency of Buffalo. He has been with Liberty Mutual and American Mutual Liability.

Joins Standard Accident

Fred J. Anderson has been named field representative at San Francisco for Standard Accident. He will supervise the south coast territory. Before joining Standard, Mr. Anderson was with an agency for four years.

Charles E. Black, for eight years office manager and Chicago special agent for Hartford Accident, has joined Arthur Rubloff & Co. as insurance manager.

Marmor Insurance Agency, Louisville, has been appointed general agent for Kentucky of Vernon Casualty of Indianapolis.

Lumbermens Mutual Casualty has appointed **Gaynor Swift** manager in Canada of boiler and machinery underwriting and production.

SURETY

Hartford Bonds Cachuma Dam; 3 on Another Project

Mittry Construction Co., Los Angeles, has been awarded the contract for the construction of the Cachuma dam, Tecolete Tunnel Project in California, at $6,722,520. Hartford Accident will execute the bond on the contract.

The contract for the construction of the Trenton dam across the Republican river in southwestern Nebraska has been awarded to the Vinnell Co., Alhambra, Cal.; Ralph A. Bell, Los Angeles, and United Concrete Pipe Corp., Baldwin Park, Cal., jointly at their bid of $4,726,557. Hartford Accident, for Vinnell, U. S. F. & G. for Bell and Maryland Casualty for United Concrete will execute the bonds.

War Situation to Have Big Contract Bond Impact

The war situation, it seems certain, will have a great impact on contract bond underwriting. There is some apprehension that contractors that are in the midst of much work of a peacetime nature may be embarrassed because of possible increased wages and other types of costs. However, the main impact is likely to be a large increase in contract bond premium volume as war contracts get under way. It is assumed that much of this work will be on a cost-plus-fixed-fee basis as it was during the last war, but that, nevertheless, payment and performance bonds will be required.

Zimmermann on Crime Coverages

Peter A. Zimmermann, assistant secretary of Surety Assn. of America, addressed the Queens Village, L. I., Rotary Club on dishonesty insurance, as a member of the speakers bureau of New York City Surety Managers Assn. He outlined the forms of commercial fidelity bonds available to protect against financial loss caused by employe dis-

honesty, discussed the reasons impelling the embezzler to steal from his firm, and set forth precautionary measures the average business man should adopt as safeguards against employe defalcations.

Plan Surety Speakers Bureau

Arthur M. Colomb, superintendent of the bonding department of Glens Falls Indemnity at San Francisco, has been named chairman of a committee to organize a speakers bureau for Surety Underwriters Assn. of Northern California. It will line up a roster of speakers who will be available to other insurance organizations and outside groups for talks on contract bonds, fidelity bonds, the 3-D policy, fiduciary and judicial and miscellaneous bonds.

Walter S. Lane, assistant manager of U. S. F. & G., will have charge of the speaking engagements.

Home Joins Surety Assn.

Home has been elected a member of Surety Assn. of America, bringing total membership to 61 companies writing fidelity, forgery and surety bonds. Home Indemnity has been a member of the association since the company was organized.

Chorister Embezzles $28,000

PARAGOULD, ARK. — Although a choir singer and worker in the local First Methodist Church, Mrs. Emily Meiser, 60, has confessed to embezzlement of $28,000 from Security Bank & Trust Co. here. F.D.I.C. and the bank's fidelity bond will cover the loss. Mrs. Meiser is said to have given most of the money away to needy people.

Bond L. A. County Aides

LOS ANGELES — Fidelity & Deposit has been awarded a three-year bonding agreement for employes of the financial department of Los Angeles county. The annual premium is $22,506.

New Surety Service Division

Fireman's Fund Indemnity has established a special division to service fidelity and surety business written by New York City brokers and suburban agents, under the supervision of Russell F. Morton.

Mr. Morton for 20 years has been chief underwriter of fidelity and surety business in the Fireman's Fund group's eastern department. This assignment included supervision of metropolitan New York and suburban accounts.

COMPENSATION

Insurer Must File Notice Of Policy Cancellation

ST. PAUL—Where an insurer has failed to file notice of its cancellation of a compensation policy with the compensation insurance bureau the policy remains in effect as to employes covered thereby until such notice is filed. That is the decision of the Minnesota supreme court involving U.S.F.&G. and Anchor Casualty. "One important function of the compensation insurance bureau," said the court, "is to insure continuous compensation coverages for all employes under the compensation act. The industrial commission did not exceed its power in directing the insurer to repay the employer from an award in favor of the employe a sum advanced by the employer to the injured employe shortly after the accident."

New W. C. Pamphlets Ready

Important amendments to the workmen's compensation laws of Alabama and Utah, as well as changes in Utah's occupational disease law, have prompted the publication of new workmen's compensation law pamphlets for these states by Assn. of Casualty & Surety Companies.

The new pamphlets contain a digest and complete text of the workmen's compensation law, occupational disease act and pertinent supplementary laws, including amendments enacted by the 1949 legislature, plus additional annotations of cases. The price is $1.

The association also has prepared a supplement to the present pamphlet for South Dakota, which reflects new amendments to its workmen's compensation and occupational disease laws.

Marquette Increases Capital

Marquette Casualty of New Orleans, which began business Jan. 1 with capital of $100,000 and surplus of $50,000, has increased the capital to $200,000 and surplus to $100,000.

The company is now writing full coverage automobile, workmen's compensation and general liability lines.

Report on Security Mutual

A commissioners' examination of Security Mutual Casualty of Chicago, covering the period January, 1946-December, 1949, shows that the company on Dec. 31, 1949, had total assets of $14,908,744 and a net surplus of $6,615,395.

The Illinois department noted that Security Mutual's ceded reinsurance contracts are with companies authorized in Illinois, but the company does not take credit for reinsurance ceded premiums in calculating unearned premium reserves and for reinsurance recoverable in computing loss reserves.

The report notes that Security Mutual has had a steady growth and a favorable underwriting experience in the past three years. Claims are settled promptly and in accordance with policy provisions. Security Mutual is licensed in 34 states and the District of Columbia and its net premiums written last year were $4,655,717. Losses paid amounted to $2,086,711.

Minn. Subrogation Case

ST. PAUL—An interesting subrogation case involving two insurance companies is pending in district court here. New York Casualty is seeking to recover not only the $1,200 it paid out as compensation insurance to an employe but also $10,000 punitive and exemplary damages because after receiving the $1,200 the employe made a settlement with the firm that caused the accident and its insurer, American Casualty.

Romeo Phillippi, employe of a garage, was hit by a truck owned by Farmers Union Cooperative Oil Co., South St. Paul. New York Casualty, as compensation carrier for the garage, paid as specified by law and sought to recover subrogation from the "co-op" and American Casualty. New York Casualty alleges that after it paid in full and received an assignment of claim from Phillippi against American Casualty, he settled.

Joyce Very Much Alive

In a recent article announcing the retirement of Charles H. Burras as president of Joyce & Co. of Chicago, through inadvertance a reference was made to the late William B. Joyce.

Mr. Joyce is very much alive, active and vigorous, and very far from dead.

Michael R. Helferty is now with Kelter's Insurance Office, Detroit as engineer and auditor. He has been in the business more than 20 years, starting with Fidelity & Casualty at Chicago, later with Sun Indemnity and left Atwell, Vogel & Sterling for his new appointment.

Kaufman Assistant U. S. Manager of General Accident

John S. Kaufman has been named assistant U. S. manager of General Accident and vice-president of Potomac. He has spent his entire business career with General Accident. After graduating at University of Pennsylvania, he went with General in 1930 and after extensive training in the accounting

JOHN S. KAUFMAN

and underwriting departments in 1937 he became manager at Springfield, Mass. In 1939 he returned to Philadelphia as assistant agency superintendent in charge of production. He was called into active service with the air corps in 1942, and was discharged with the rank of lieutenant colonel in 1945.

Mr. Kaufman rejoined General Accident and after a successful administration as agency superintendent, he was advanced in 1949 to agency manager in charge of agencies and branch offices. In addition he supervised publicity and public relations.

N. J. "Comp" Benefits Up

New Jersey law amendment increases maximum workmen's compensation for injury producing temporary disability from $25 to $30 week effective next Jan. 1. Restrictions as to hernia are liberalized.

Revise Traffic Handbook

A revised and expanded edition of the "Traffic Engineering Handbook," a comprehensive source book of techniques, principles and standards relating to street and highway traffic control and design, is to be jointly published by the Institute of Traffic Engineers and Assn. of Casualty & Surety Companies about Aug. 15.

The handbook provides the latest facts, figures and formulae needed by traffic and highway engineers, transportation and planning officials, educators, students, researchers, economists and police. It is designed to serve as a practical guide to the practicing traffic engineers. It is priced at $6 per copy and may be secured from the accident prevention department of Assn. of Casualty & Surety Companies, 60 John street, New York.

Dickey Leads Oklahoma Commissioner Runoff

Latest returns Wednesday morning on Oklahoma election of Democratic insurance commissioner gives Donald F. Dickey, present incumbent, a lead of 93,353 votes. Returns from 3621 precincts out of 3788 show that Dickey polled 230,142 votes as compared to 136,789 for William D. Read, his only oponent. Read is the son of the late Jess G. Read who had served as commissioner for more than 25 years.

"No Comment" on Twin Falls Agents Complaint

Edward W. Thomerson, federal trade commission counsel in charge of insurance cases, has "no comment" upon the report that a Twin Falls, Ida., agent has complained that Farmers Insurance Exchange of California has engaged in unfair trade practices in cutting rates on that city's liability coverage.

Such complaints go to Mr. Thomerson, but he declined to say whether the Twin Falls one would be investigated. FTC officials have a rule against disclosing what concerns the agency has under investigation pending action on a case.

Group Formed in Boston to Oppose Flat Rate

BOSTON — A committee for community automobile rates to inform automobile owners and others in Massachusetts about the proposed flat rate for automobile insurance has been formed with Benjamin B. Priest, general counsel of the Insurance Federation of Massachusetts, and Edward F. Connelly, New England counsel for the American Mutual Alliance, as co-managers.

The committee will work with citizens groups not connected with the insurance business, and with the independent agents and brokers in the state to preserve the present community rating system.

The committee is sponsored by insurers writing automobile liability in Massachusetts to help coordinate and unify opposition to the initiative petition on the flat rate that will probably be before the voters at the Nov. 7 election.

A. & H. Insurers Program

A life general agent whose company writes considerable A. & H. says many agents forget to suggest it when they are writing up a program for a prospect. He says it's wise to get in the A. & H. recommendation early and give the prospect a chance to say "yes" or "no" to it on his own. An A. & H. policy is a program insurer, he says. And if anything happens to the client the agent can show that he recommended it. Too many times, says this general agent, agents decide on their own that the prospect can't afford the added cost. "Let the prospect decide that," the general agent says.

Canadian Writings $156 Million

Net casualty premiums in Canada in 1949 amounted to $156,661,484, an increase of 18.2% over 1948 writings. A. & H. made phenomenal progress. The 1949 premiums amounted to $29,612,682, a gain of 26% over 1948. The loss ratio was 64.7% compared with 60.9% for 1948.

P. A. Kornely, local agent at Appleton, Wis., since 1901, and his wife observed their 50th wedding anniversary.

Carr Relinquishes Home Office Duties At National Surety

NEW YORK—A. L. Carr, National Surety vice-president in charge of production for the entire country, has relinquished those duties and has transferred his activities to those of resident vice-president. He also is opening an office in the Chanin building as the uptown office of the A. L. Carr agency, which has also maintained an office at 26 Court street, Brooklyn, for many years.

A testimonial dinner was given to mark his retirement as production vice-president. Ellis H. Carson, president, presided. He presented Mr. Carr a radio-television console as a memento from his many associates at National Surety. Those at the dinner included C. E. Deming, Sherman Drake, Arthur M. Clark, Carl Keppler and Henry W. Nichols, vice-presidents; Vincent Cullen, director and former president, and Martin Lewis, manager of Surety Assn. of America.

Mr. Carr joined National Surety in 1928 to supervise the Brooklyn-Long Island district. Ten years later he went to the home office as vice-president and production manager. He also continued to supervise the Brooklyn-Long Island department and the A. L. Carr agency.

Mr. Carr entered insurance here in 1902 with Ocean Accident. In 1903 he went with the Aetna group at Hartford, where he spent several years in various departments. Eventually he was sent to Pennsylvania as a special agent. In 1906 he joined the Brooklyn office of Aetna and a year later became manager of the Brooklyn-Long Island territory. In 1911 ex-Governor Warfield, president of Fidelity & Deposit, appointed him a general agent in Brooklyn. In 1922 he became manager of F. & D. for Brooklyn and Long Island.

He is past president of Casualty & Surety Club of New York, vice-chairman of insurance council of Brooklyn Chamber of Commerce, a director of New York Credit Men's Assn. and chairman of its insurance committee.

C. & S. Assn. Asks Hearing On Gov. Employes Bill

The Assn. of Casualty & Surety Companies has requested a hearing before the Senate expenditures subcommittee in charge of the House-passed government employes surety bonding bill. An association spokesman said while the principle of the bill is all right, it is poorly drafted. Industry representatives want an opportunity to present some technical and clarifying amendments.

William L. Dempsey, president of Sharp & Dohme, Philadelphia pharmaceuticals manufacturers, has been elected a director of Fire Association and Reliance.

Reliance Service Bureau has expanded its claim services to western Pennsylvania and opened a branch office in the Standard Life building, Pittsburgh. John A. Hoffman has been transferred from Newark to Pittsburgh. He has been in the claims business for 35 years with Royal and Indemnity of North America, and National Union.

N.Y. Department Still Wants Auto B.I. Limits Doubled

In its annual report to the governor, the New York insurance department reiterates its recommendation that statutory limits of liability on taxicabs be hiked from $2,500/$5,000 to $10,000/$20,000. This proposal lost out in the last session of the legislature. The departmental report has just been published.

The department also urges, as it did to the last legislature, that consideration be given to doubling minimum bodily injury coverage required under the financial responsibility law, from $5,000/$10,000 to $10,000/$20,000.

The department points out that 29 states now require at least five-ten limits for taxicabs; 16 states have even higher requirements. The department also recommended increasing liability coverage requirements for larger public vehicles and suggested changing the present law so that the coverage applies to the operator as well as vehicle.

Some Speakers for Counsel Federation Meeting Listed

A number of speakers for the annual meeting of Federation of Insurance Counsel, to be held Sept. 14-16 at Atlantic City, have been announced by Samuel M. Hollander of Newark, federation secretary. They include: Sidney McCord, Camden, N. J., and Harold Feuerstein, Newark, both on fire insurance topics; John A. Appleman, Urbana, Ill.; Charles B. Robison, Chicago; Donald S. Fuerth, Newark, on legal aspects of group annuity business; John T. Hume, Indianapolis; Robert C. Handwerk, Washington, D. C., on government life insurance; Eugene Nogi, Scranton, Pa., and J. Keiller MacKay, chief justice of the Ontario court of appeals. George H. Tyne, assistant general counsel of National Life & Accident, is president of the federation.

It is suggested that those who are planning to attend the American Bar Assn. meeting at Washington, D. C., will find it convenient to stop over at Atlantic City.

Ruling on Pa. FR Renewals

Commissioner Leslie of Pennsylvania has explained to companies writing financial responsibility business that the insurance certificate is continuous and it will not be necessary to report to the state on termination or expiration of policies when a renewal is to be issued by the same company. In event of cancellation or termination of the insurance, however, 10 days' notice is to be filed with the secretary of revenue.

J. W. Blanton, head of the Blanton, Thomas & Co. agency of Dallas, and Mrs. Blanton are leaving July 18 for a six weeks' trip to Honolulu. They will spend 10 days in San Francisco, sailing later on the Lurline for Honolulu.

Andrew J. White, insurance attorney and counsel for the Columbus board, is now a grandfather. His daughter, Mrs. R. B. Robinson of Dunbar, W. Va., had a son June 3.

Executives Assessing Problems of War

(CONTINUED FROM PAGE 15)

like declaration of war. Here it was recognized that damage from nuclear weapons could be so catastrophic that certainly the insurance business could not withstand anything like so heavy a blow. The ocean marine people especially have been conscious of the possibilities of damage in the highly concentrated population area, and the recent explosion of four bargeloads of ammunition in South Amboy, N. J., was a good illustration of the kind of catastrophe they have in mind.

Not More Restrictive

The new war clause is not regarded as more restrictive than the old but simply as more realistic. After being developed it was referred back to each field of the business for action. In the fire field it was decided to put the clause in extended coverage and corresponding explosion forms, particularly because of possible nuclear damage. Since the standard fire policy is statutory in more than 40 states, the insertion of an exclusion clause there, it was decided, ought not to be tackled at the moment. The same decision was made with respect to automobile physical damage.

The casualty committee decided not immediately to amend the forms in that field since the insurers there are not exposed except via workmen's compensation. However, in connection with workmen's compensation, the casualty business has a troublesome and serious problem. Workmen's compensation coverage is statutory and has no exceptions while the worker is on the job. The insurer would be liable, whatever the cause, if the personnel is occupied. One question that arises here is whether the employer-employe relationship is abrogated in case death or injury is caused by something so far beyond the employer's control as bombing by enemy planes, or acts of warlike nature. There is no court opinion on this point.

The war clause has not been promulgated for extended coverage as yet but this is in the works and will be put in.

Property War Damage

It is anticipated that the war damage corporation type of operation will be revived. However, at present leaders in the business are inclined neither to push or oppose the idea. One reason for this is that at least some executives would not like a setup exactly similar to the one which was used in the last war. With the threat of nuclear and other new weapons, executives do not believe they should expose the assets for which they are responsible to any participation in war damage insurance. The business had a nominal participation in war damage in World War II. They seem agreeable to handling the business on an expense only basis as was the case before. The bill which was introduced in the House by McGuire of Connecticut does not quite hit the mark, it is suggested, since its terminology follows the old WDC act and uses such terminology as "enemy attack" and "resisting enemy attack" which now are regarded as anachronistic.

There apparently is no fear on the part of the business that it will be criticized by the public for not assuming war risks. For example, the business seems pretty well committed to inserting the exclusion clause in the fire policy. The experience of the last war and the possible far greater potential damage that could be caused by new weapons in the present war are self evident.

Greatness of Exposure

The potential of war damage that could be caused by new weapons, notably those using atomic fission is so great that the wonder is expressed as to how far the government can or should go in writing war damage on the property of citizens in the U. S. The exposure is so great that perhaps not even the American taxpayer can underwrite for the full indemnity. In the last war the DWC wrote $140 billion of liability under eight million policies, and there was $23 billion of exposure in New York City alone. Possibly, it is suggested, the government should limit its liability to some fixed aggregate, and let that go as far as it would.

In speaking of the concentration of risk of a size that could prove overwhelming under certain circumstances, the comparison is made between life insurance and workmen's compensation. There is here, however, this difference, that the life insurance concentration is fortuitous, whereas with workmen's compensation the casualty company would know in advance how much exposure it has. Certainly w.c. presents one of the real tough problems posed by the possibility of a large war.

As to regular underwriting of fire business, there is little concern on the part of the companies. Certain inflationary pressures, notably in lumber, steel, copper and other building materials were in evidence some time before the Korean war broke out, but neither from this nor from the price increases and inventory enlargements as a result of the war has there been any noticable effect in the premium volume of the companies and undoubtedly there will not be such evidence for some weeks.

Underwriters recall that in the last war the kind of operation where value is greatly increased was excellent from an underwriting standpoint. The plants and businesses were of the most desirable sort, and even though there was some paradox in having the good plants burn and the nightclubs, which did a land office business, prove to be excellent risks, on the whole the liability that was increased because of the war did not give underwriters a headache. Some of the mistakes of the early part of World War 2 may be avoided this time, notably in excessive concentrations of materials of a war character.

War Emphasizes Crime Cover, Loss Controls Needed

(CONTINUED FROM PAGE 15)

of fidelity, forgery and burglary, with the loss of manpower and the relaxation of controls. It also makes clear the special value of broad coverages like the 3D especially as the latter relates to mysterious disappearance and fire.

In keeping employers advised as to developments, the commission has treated or will treat in conference type sessions such matters as messenger holdups, of which there has been an increase in recent months, padded payrolls, use of accounts payable as a cause of loss, etc. Mr. Flynn points out that accounts payable were used to effect losses aggregating between $2 million and $3 million in the New York area alone in the past several years.

RATE REGULATION

Under rate regulation, which gives the insurance business a substantially different character than it had at the beginning of the last war, unquestionably there will have to be closer cooperation between supervisory authorities, rating bureau people, company executives, agents and others. In the rating field, of course, some thought is being devoted to the possibilities of short cuts that could be taken in case of necessity. Here, however, there is somewhat more caution about sugges-

tions for short cuts than there might have been had the necessity arisen in World War 2; with continuous policies, as an example. These, it was found, take more time than the regular renewal of policies because of the rapid changes that occur, particularly in the casualty business.

In looking back at the experience in the recent war, particularly in the light of what happened after the war, some of those in the business are inclined to regard the savings made on the statistical side as not as big as they promised to be, nor as necessary. Companies that did not abandon certain statistical procedures have apparently gotten along just as well as did those which did abandon them, or perhaps better.

One observer points out that it is not sufficient to find out how much can be eliminated; it is very important that cuts not go beyond the minimum which the companies will have to have when things reopen again. The companies and rating bureaus found themselves in a poor position after the last war because they did not have enough experienced data to justify the changes that the then current experience actually called for.

In the automobile bodily injury, property damage and collision field, for example, statistics should be kept on private passenger automobiles, commercial and for hire. On workmen's compensation, there is perhaps needed an amalgamation of classifications. Some believe that the classifications could be cut to half a dozen whereas there are now between 500 and 600. For example, it would perhaps be possible to work out one class for all retail stores. One study was made which disclosed that 80% of the w.c. risks used 10% of the classifications.

Not So Many Corners to Cut

One observer points out that there are not as many corners to cut as there were at the beginning of the last war because some of the corners taken off then were never restored. An example is the re-underwriting of automobile private passenger business at the home office after its receipt, underwritten, from branch offices. Another example would be the placement of more responsibility on managers in the field; it is still there. After the last war rising costs and the necessity of holding it down as much as possible made necessary the cutting of office routines wherever possible.

On the fire side, the suggestion of pooling and saving of personnel and procedures in that way so far has had unfavorable reception because there is always the weakness in arrangements of this kind that the pacing must fit the slowest. Perhaps companies can do whatever may be done independently and with greater effect.

Yet there is no doubt that short cuts have to be tackled really seriously. This is certainly the view of some company officers. This would have to be done without any particular eye on production. One man suggests the use of certificates, which of course would have to be on lines with fewer no changes. Another suggestion is use of I.B.M. machines to do the bookkeeping and payroll. The assumption is that most companies now have switched to machine operation so far as statistics are concerned.

Rating by Sample

On the rating side it has been suggested that sampling could be used to secure rate change indices. This would be a fine thing in normal times and might be absolutely essential if war comes.

In connection with personnel, the general attitude is that not much can be done in way of defense, but at least executives should know where they stand so that as mobilization goes along they will not be confronted unexpectedly with situations that call for quick decisions. They should have in mind what few steps can be taken in relation to any weak spots, before those weaknesses are created by events and national decisions that the executive learns of in the morning newspaper.

After the last war the companies did not return to as great a use of young men to fill clerical positions. Thus, to some extent, the relief gained during the last war by a shift from manpower to womanpower is not available to the same extent.

Production Not So Serious

Many companies have developed young personnel in the field, and the leaders among executives believe that they should know the military status of these young men so that they are aware of where they are apt to lose men. However, production in time of war is perhaps the least troublesome division of the business. Agencies are not inclined to change companies in such times. Field territories can be adjusted. Premium volume keeps up pretty much without the same close and creative attention that it needs in normal times.

Actually the agency accounts department becomes more important than the agency production department because it is a key process in getting out the work. The comptroller's staff generally contains several key people, the loss of all of whom would be a real blow to the flow of business. Here, executives are having department heads watch closely and where necessary develop some talent that could fill in. As a matter of fact, an intelligent approach to the whole personnel problem is that of one company which has had executives and department heads blueprint operations and outline where they are the most likely to be hit. From there, what steps can be taken are planned ahead.

Supplies and Equipment

Supplies and equipment form another phase of company operation where early assessment of the situation and a decision as to the kind of approach to be used are regarded by some as essential. One company group, for example, has reached a conclusion that it should do nothing more than it has been doing. This decision was made because the executives regard it as very important that the business not do what will produce the very situation that it and the rest of the population are trying to avoid—hoarding, shortages, artificial crises in various areas of the economy. Also, of course, it is unpatriotic to do so. Consequently, it is holding to its normal course. It ordinarily procures supplies about six months ahead. Among the items where there might be shortages, there were in the last war, are paper and tires, the latter for field forces. The group is in good shape on machines, both statistical and typewriting. In this respect, apparently most companies are up to standard. The restrictions including the government acquisition of 10% of business' typewriters in the last war meant only the use of machines for a longer period.

The war adds considerable significance to the current problem of commission control. There have been some rather serious trends toward a meeting of competition by adjustments in commissions. Under war conditions, with inflation, increased costs, increased losses, etc., the presssure will be on to hold down costs. The work of the committee that is working on the problem in New York state and which is due to make a report by September 1 thus becomes doubly important.

Commended on DBL Sales

Mary Donlon, chairman of the New York state workmen's compensation board, has sent a letter to all carriers thanking them for their cooperation and response in selling disability benefits coverage.

The board is analyzing compliance papers filed with it and at the end of the month expects to have statistical information. Her letter urged insurers to establish simple and efficient claims procedures and to explain them to personnel officers of insured employers so that they might in turn spread accurate information about the law to employes over the state.

Surety Premiums Higher in 1949

(CONTINUED FROM PAGE 15)

Country-wide

	Net Premiums written	Net Premiums earned	Underwriting Ratios: Losses incurred to earned	Exp. (adj.)†	Net gain (adj.)†	Expenses Analysis: Claim exp. to earned	Comm. to written	Other acq. to earned	Gen. exp. to earned	Taxes & fees to written
Amer. Bonding	......	......	...	...	...	...	...	...	...	..
Amer. Cas.	166,650	154,562	11.1	67.9	21.0	6.2	18.9	13.5	25.4	3.9
Amer. Empl.	416,415	412,186	50.6	56.9	−7.5	15.1	14.1	10.3	15.0	2.4
Amer. Guar. & Liab.	318,243	290,696	63.6	52.5	−16.1	14.5	14.9	9.8	8.7	4.6
Amer. Motorists	254,982	234,864	67.8	35.2	−3.0	9.7	1.9	11.3	10.3	2.0
Amer. Surety	2,422,865	2,684,759	21.5	61.9	16.6	16.2	17.0	9.5	15.3	3.9
Assoc. Indemnity	4,310	15,616	−12.8	67.0	45.8	12.3	43.8	6.5	4.0	.4
Bankers Ind.	11,402	10,705	35.8	75.1	−10.9	23.4	23.0	5.1	21.6	2.0
Car & General	3,274	3,259	26.2	255.5	−181.7	10.9	−23.9	59.9	189.5	19.1
Central Surety	249,565	192,542	27.8	50.6	21.6	7.0	22.3	1.3	16.9	3.1
Century Ind.	446,632	473,237	35.6	61.8	2.6	11.8	20.7	10.0	14.2	5.1
Columbia Cas.	174,521	187,994	27.8	74.6	−2.4	22.1	20.8	6.1	20.7	4.9
Commercial Cas.	218,215	223,274	25.6	42.4	32.0	3.5	20.0	6.6	9.5	2.8
Continental Cas.	529,259	656,875	54.4	59.8	−14.2	14.7	15.1	12.8	13.8	3.4
Eagle Indemnity	89,248	104,153	32.3	62.9	4.8	10.6	23.8	10.7	15.8	2.0
Employers Liability	500,647	564,616	40.0	63.8	−3.8	14.7	10.9	12.8	20.5	4.9
Federal	230,682	131,854	66.3	65.4	−31.7	4.2	52.1	2.8	5.5	.8
Fidelity & Cas.	1,982,627	2,083,355	29.2	61.2	9.6	13.5	13.9	9.6	20.6	3.6
Fideity & Deposit	5,431,604	5,816,620	29.8	57.1	13.1	7.6	19.4	14.0	12.9	3.2
Fireman's Fund Indem.	520,662	534,809	29.4	57.3	13.3	7.5	18.1	14.1	13.7	3.9
Fireman's Fund	41,801	48,497	55.9	26.7	17.4	1.4	20.5	2.5	2.2	.1
General Acc.	19,492	12,883	54.3	46.5	−.8	.3	22.5	8.1	13.5	2.1
General Cas.	326,528	300,825	36.6	47.7	15.7	5.5	18.7	7.2	13.9	2.4
Glens Falls Ind.	384,538	338,535	23.6	77.6	−1.2	11.9	16.1	17.5	29.4	2.7
Globe Indemnity	535,487	624,916	32.3	62.7	5.0	10.6	23.6	10.7	15.8	2.0
Great Amer. Ind.	476,997	493,684	28.6	75.6	−4.2	11.0	22.8	20.6	18.4	2.8
Guarantee of N. A.	130,523	107,684	29.7	65.2	5.1	2.7	19.8	19.4	21.6	1.7
Hartford Acc.	2,574,309	2,806,805	37.6	50.4	12.0	9.9	19.1	7.7	11.0	2.7
Home F. & M.	7,838	9,093	55.9	26.7	17.4	1.4	20.5	2.5	2.2	.1
Home Indemnity	320,114	311,330	41.3	60.4	−1.7	12.1	17.8	9.0	19.2	2.3
Indemnity of N. A.	1,855,303	1,595,505	73.4	41.9	−15.3	12.7	−.1	14.0	12.3	3.0
International Fidelity	80,681	73,280	8.1	73.0	18.9	2.2	1.0	10.2	56.4	3.2
London Guar.	43,259	36,172	100.9	74.8	−75.7	3.4	9.9	16.4	38.4	6.7
London & Lanc. Indem.	38,018	39,050	68.3	59.3	−27.6	18.5	7.0	6.5	20.5	6.8
Manufacturers Cas.	148,364	105,745	40.9	55.2	3.9	7.2	21.7	12.3	11.3	2.7
Maryland Cas.	2,116,844	2,106,712	42.1	53.3	4.6	12.9	19.6	11.1	6.4	3.3
Mass. Bonding	1,011,991	1,069,217	32.3	66.5	1.2	11.9	24.1	10.5	17.5	2.5
Merchants Indemnity	16	37	...	...	...	...	...	...	...	..
Metropolitan Cas.	154,792	145,048	31.4	56.4	12.2	5.5	21.7	10.4	15.2	3.6
National Cas.	24,018	26,321	31.1	53.8	15.1	11.0	21.9	12.6	5.1	3.2
National Surety	3,639,176	3,933,162	28.1	58.8	13.1	8.3	20.9	10.9	15.2	3.5
New Amsterdam Cas.	1,129,079	1,114,981	28.9	56.4	14.7	7.8	22.4	13.8	9.7	2.7
New England Cas.	11,073	7,824	79.6	204.8	−184.4	18.9	18.9	112.2	50.8	4.0
New York Cas.	751,735	833,013	21.5	61.9	16.6	16.2	17.0	9.5	15.3	3.9
Ocean Acc.	245,425	267,209	38.9	82.6	−21.5	18.7	21.8	3.5	35.1	3.5
Peerless Cas.	351,879	298,227	41.1	46.9	12.0	9.8	17.1	15.6	2.0	2.4
Phoenix Indem.	38,493	42,485	66.9	54.7	−21.6	3.3	14.0	11.5	21.4	4.5
Preferred Acc.	23,531	28,221	32.8	175.5	−108.3	16.3	34.8	30.8	89.5	4.1
Royal Indemnity	490,863	572,840	32.3	62.2	5.5	10.6	23.1	10.7	15.8	2.0
St. Paul-Merc. Ind.	600,841	590,211	53.0	25.6	21.4	11.6	−20.0	15.7	11.9	6.4
Seaboard Surety	674,561	697,112	28.3	50.0	21.7	6.8	27.2	5.9	6.7	3.4
Standard Accl.	791,638	861,049	24.8	59.8	15.4	7.6	18.9	9.7	20.9	2.7
Sun Indemnity	48,171	45,581	21.1	52.4	26.5	13.0	13.2	9.3	13.7	3.2
Surety Fire	167,052	185,114	21.5	61.9	16.6	16.2	17.0	9.5	15.3	3.9
Travelers Indemnity	1,003,807	1,019,664	30.2	67.4	2.4	10.9	19.1	23.5	11.6	2.3
United National Indem.	55,366	44,250	82.9	62.8	−45.7	8.3	18.3	11.3	21.7	3.2
U. S. Casualty	213,862	202,838	66.4	54.9	−21.3	6.5	21.5	1.4	22.9	2.6
U. S. F. & G.	4,400,177	4,640,438	27.2	65.7	7.1	8.4	20.3	20.4	14.7	1.9
U. S. Guarantee	1,059,993	766,640	51.3	82.3	−33.6	11.3	−23.1	20.8	66.1	7.2
Western National	2,613	3,031	55.9	26.7	17.4	1.4	20.5	2.5	2.2	.1
Yorkshire Indemnity	66,968	87,993	12.0	53.8	34.2	2.0	45.5	1.4	4.0	.9
Total Stock Cos.	$42,495,675	$43,771,868	34.0	58.5	7.5	10.5	16.8	12.9	15.1	3.2

Mutual Companies

Amer. Mut. Liab.	$ 205,740	$ 164,963	27.6	30.0	42.4	13.7	−46.3	22.1	36.6	3.9
Employ. Mut. Liab.	159,418	72,235	91.2	142.9	−134.1	31.1	6.8	56.9	45.1	3.0
Farm Bureau Mut.	3,144	2,957	28.4	16.1	55.5	15.8	−84.4	28.8	54.3	1.6
Liberty Mut.	1,046,424	923,377	40.4	37.9	21.7	17.2	...	12.2	6.3	2.2
Lumb. Mut. Cas.	595,053	548,112	63.4	52.5	−15.9	10.0	16.4	11.5	12.7	1.9
Natl. Grange	10,084	15,419	3.6	79.0	17.4	−.3	50.0	24.9	1.4	3.0
Security Mut. Cas.	140,787	99,582	63.8	50.4	−14.2	1.8	48.2	.3	.1	..
Total—Mut. Companies	$ 2,160,650	$ 1,826,645	49.2	46.7	4.1	14.3	3.9	14.1	12.2	2.2

Reinsurance Companies

American Reins.	$ 1,217,362	$ 1,246,729	44.8	51.3	3.9	...	46.0	2.5	2.7	.1
Employers Reins.	1,033,999	1,172,969	31.4	52.0	16.6	3.0	45.2	1.7	.7	1.4
Eureopean Gen. Reins.	1,827,356	1,847,310	41.1	47.2	11.7	2.6	43.3	.2	1.0	.1
Excess	267,698	208,936	37.3	57.9	4.8	7.9	41.4	3.7	3.8	1.1
General Reins.	1,610,506	1,489,221	55.5	52.4	−7.9	5.3	43.5	.8	2.6	.2
N. A. C. & S. Reins.	96,231	97,339	44.0	45.7	10.3	2.5	40.0	.2	2.2	.8
Total—Reins. Cos.	$ 6,053,152	$ 6,062,504	43.4	50.5	6.1	3.0	44.1	1.2	1.8	.4

Surety

Stock Companies

Acci. & Cas.	$ 62,507	$ 60,224	8.0	70.9	+21.1	8.2	25.4	10.6	24.5	2.2
Aetna Cas.	5,236,144	4,643,974	8.3	64.9	26.8	4.8	24.8	18.8	10.7	5.8
Amer. Auto	171,872	94,339	10.3	96.6	−6.9	5.7	22.9	29.3	36.3	2.4
Amer. Bonding	......	......	...	...	...	...	...	...	...	..
Amer. Cas.	515,993	472,178	25.5	65.9	8.6	6.1	28.4	9.7	18.5	3.2
Amer. Empl.	942,694	826,098	24.4	65.2	10.4	4.4	27.4	13.0	17.5	2.9
Amer. Motorists	63,534	79,152	127.8	50.0	−77.8	22.9	8.9	10.2	7.9	.1
Amer. Surety	2,717,042	2,425,080	6.0	66.0	28.0	2.7	24.7	16.8	18.2	3.6
Associated Indem.	11,279	16,379	−24.1	86.6	37.5	14.9	29.7	17.3	19.8	4.9
Car & General	14,331	13,871	−56.6	141.3	15.3	−3.7	34.4	22.8	82.8	5.0
Central Surety	691,460	633,367	27.8	56.3	15.9	4.2	28.0	1.2	18.6	4.3
Century Ind.	966,435	880,985	14.5	68.1	17.4	7.9	25.4	12.8	19.4	2.6
Columbia Cas.	179,706	179,977	6.8	75.7	17.5	2.1	21.0	9.6	35.1	7.9
Commercial Cas.	233,493	219,660	11.5	54.7	33.8	2.6	26.4	9.0	14.0	2.7
Continental Cas.	2,983,453	2,680,123	22.1	58.0	19.9	4.3	27.7	11.2	12.0	2.8
Eagle Indemnity	103,126	97,352	13.2	66.2	20.6	7.2	25.0	10.7	20.9	2.4
Employers Liab.	853,770	731,946	18.2	63.6	18.2	2.4	29.1	8.9	21.6	1.6
Federal Ins.	277,443	175,945	6.1	50.7	43.2	1.0	41.7	2.4	4.8	.8
Fidelity & Casualty	2,400,044	2,149,764	31.7	65.2	3.1	8.3	26.9	9.7	17.3	3.0
Fidelity & Deposit	6,320,186	5,989,852	3.5	71.5	25.0	4.2	22.4	25.7	15.9	3.3
Fireman's Fund Ind.	1,154,191	1,031,571	21.5	52.6	25.9	2.1	25.2	11.1	11.5	2.7
Fireman's Fund	21,451	22,043	50.3	49.0	.7	.4	42.5	3.0	3.0	.1
General Casualty	1,182,841	1,029,038	32.5	51.5	16.0	3.3	25.5	8.7	10.8	3.2
General Trans.	595	743	−1.2	−8.9	110.1	...	−11.9	...	...	3.0
Glens Falls Ind.	1,232,830	1,032,180	37.7	66.6	−4.3	9.7	23.6	11.7	18.7	2.9
Globe Indemnity	618,754	584,113	13.2	66.5	20.3	7.2	25.3	10.7	20.9	2.4
Great American Indem.	888,457	847,632	.4	55.4	44.2	2.0	23.5	13.5	13.1	3.3

	Country-wide Underwriting Ratios					Expenses Analysis				
	Net Premiums written	Net Premiums earned	Losses incurred to earned	Exp. (adj.)†	Net gain (adj.)†	Claim exp. to earned	Comm. to written	Other acq. to earned	Gen. exp. to earned	Taxes & fees to written
Guarantee of N. A.	249,564	130,064	22.9	77.5	-.4	2.6	40.5	10.5	23.8	.1
Hartford Acc.	5,048,421	4,435,864	16.0	60.1	23.9	2.8	25.6	11.9	16.9	2.9
Home F. & M.	4,022	4,133	50.3	49.0	.7	.4	42.5	3.0	3.0	.1
Home Indemnity	277,794	259,328	11.6	67.1	21.3	8.8	28.2	9.4	18.3	2.4
Indemnity of N. A.	1,402,135	1,319,888	12.9	58.6	28.5	5.4	17.2	14.1	19.1	2.8
International Fidelity	8,177	9,015	-12.0	64.5	47.5	...	6.5	8.4	46.4	3.2
London Guar.	58,232	53,188	2.0	69.2	28.8	2.8	22.7	11.7	27.3	4.7
London & Lanc. Ind.	172,184	176,241	3.6	69.1	27.3	5.8	27.0	11.6	20.9	3.8
Manufacturers Casualty	743,861	665,165	8.1	51.0	40.9	3.2	30.3	7.4	8.4	1.7
Maryland Cas.	5,178,502	4,333,223	11.1	54.5	34.4	5.8	23.5	15.3	6.0	3.9
Mass. Bonding	2,002,062	1,864,297	24.9	52.5	22.6	6.7	26.2	7.2	9.8	2.6
Merchants Indem.	56,074	51,343	51.0	46.5	2.5	2.6	40.5	.4	.5	2.5
Metropolitan Cas.	297,376	283,332	38.0	45.7	16.3	1.7	25.0	8.0	8.4	2.6
National Cas.	47,949	51,009	3.2	39.5	57.3	-11.3	26.8	9.3	10.5	4.2
National Surety	4,389,807	4,161,578	7.5	63.5	29.0	5.5	24.1	12.2	18.3	3.4
Natl. Union Fire	1,811	1,243	3.1	42.5	54.4	...	42.5	...	...	..
New Amsterdam Cas.	1,821,734	1,550,461	24.9	55.4	19.7	5.6	25.9	13.6	7.4	2.9
New England Cas.	58,629	59,425	75.2	68.2	-43.4	7.0	38.6	13.3	7.7	1.6
New York Cas.	843,220	752,611	6.0	66.0	28.0	2.7	24.7	16.8	18.2	3.6
Ocean Acc.	112,567	112,980	13.9	64.8	21.3	-1.3	33.0	1.9	34.4	-3.2
Peerless Cas.	1,096,065	800,216	12.0	56.9	31.1	4.9	27.6	19.7	2.3	2.4
Phoenix Indemnity	110,634	84,001	12.2	76.6	11.2	4.2	20.2	16.1	30.0	6.1
Preferred Accident	80,078	66,979	-1.0	73.8	27.2	5.3	32.3	9.1	26.0	1.1
Royal Indemnity	567,192	535,437	13.2	66.8	20.0	7.2	25.6	10.7	20.9	2.4
St. Paul-Merc. Ind.	2,022,002	1,956,406	18.1	58.3	23.6	6.3	26.0	8.3	14.5	3.2
Seaboard Surety	2,044,591	1,842,076	34.9	53.3	11.8	6.0	26.5	5.8	10.1	4.9
Standard Accident	2,912,760	2,776,786	4.2	59.0	36.8	5.6	24.3	11.7	14.1	3.3
Sun Indemnity	52,339	53,542	14.0	71.0	15.0	18.8	26.9	9.0	13.0	3.3
Surety Fire	187,382	161,247	6.0	66.0	28.0	2.7	24.7	16.8	18.2	3.6
Travelers Indemnity	2,239,587	2,083,056	9.9	69.2	20.9	6.0	20.4	24.8	14.0	4.0
United Natl. Indemnity	126,494	92,905	11.8	59.4	28.8	2.5	24.8	10.5	17.2	4.4
U. S. Casualty	471,478	437,763	27.1	59.4	13.5	2.6	29.1	1.4	23.4	2.9
U. S. F. & G.	9,036,267	8,350,112	19.7	57.9	22.4	4.6	24.7	14.4	11.9	2.3
U. S. Guarantee	2,110,683	1,991,537	8.1	65.7	26.2	3.4	18.4	17.0	22.1	4.8
Western National	1,341	1,377	50.2	49.0	.8	.4	42.4	3.1	3.0	.1
Yorkshire Indemnity	234,342	280,533	77.4	18.7	3.9	-16.7	35.5	...	...	..
Total—Surety Cos.	$75,910,987	$68,711,947	15.3	61.0	23.7	4.8	24.8	14.1	14.2	3.1

Mutual Companies

Amer. Mut. Liab.	$ 593	$ 929	...	25.9	74.1	...	.7	7.5	9.8	7.9
Liberty Mutual	255	386	...	...	...	...	...	...	...	..
Lumbermen's M. C.	148,247	184,690	129.1	47.2	-76.3	7.8	19.2	10.4	7.4	2.4
Security Mut.	251,838	266,991	72.0	46.2	-18.2	1.0	44.6	.2	.4	..
Total—Mut. Companies	$ 400,933	$ 452,996	95.4	47.4	-42.8	3.8	35.1	4.4	3.2	.9

Reinsurance Companies

American Reins.	$ 2,929,211	$ 2,258,041	30.0	52.3	17.7	...	45.2	3.3	3.4	.2
Employers Reins.	2,214,634	1,768,964	26.0	54.5	19.5	1.9	47.9	2.4	.9	1.4
European Gen. Re.	3,573,937	3,196,009	35.2	51.5	13.3	3.2	46.8	.2	1.2	.1
Excess	112,911	549,800	75.3	62.4	-37.7	3.5	58.3	.6	.4	-.4
General Reins.	2,813,850	2,198,417	32.5	51.3	16.2	2.3	45.7	.7	2.5	.1
N. A. C. & S. Re.	1,146	5,896	25.0	64.8	10.2	15.0	40.0	...	8.9	.9
Total—Reins. Cos.	$11,645,689	$ 9,977,127	34.0	52.2	13.8	2.1	46.4	1.4	1.9	.4

No Payment for Excess Cover of Air Trip Policies, New York Court Decides

The New York supreme court has denied recovery of $15,000 of air trip insurance policies purchased at an airport vending machine in excess of the $25,000 maximum coverage advertised. The action reverses the decision of the supreme court of New York county.

Harry L. Slater, who was killed in an airplane accident June 17 while flying from Chicago to New York, obtained five consecutively numbered policies from an automatic policy vending machine of Associated Aviation, the insurance being in Fidelity & Casualty, and named his wife as beneficiary. Immediately after this, he took out three more $5,000 policies naming Cardinal Electronics Co. as beneficiary, even though it was stated on the policies and in the directions on the machine that $25,000 is the limit. The policy also provides that "if a like policy or policies, previously issued by the company to the insured be in force concurrently herewith, making the aggregate indemnity in excess of $25,000, the excess insurance shall be void."

Cardinal Electronics sued for the $15,000, but the court held that there was not the slightest ambiguity in the provisions, and that Slater, even before buying the policies was advised in clear and unmistakable language which appeared on the outside face of the vending machine that the amount of insurance to be purchased was not to exceed $25,000.

Fidelity & Casualty had a second defense alleging that the policies contained a provision to the effect that they covered "one-way trip only unless a round trip airline ticket is originally purchased." Slater had purchased a one-way ticket from New York to Chicago after buying his policies in New York, and then was killed on the return trip from Chicago. However, the court did not decide on this point in view of its determination sustaining the first defense.

O.K. Broad Form Auto Policy in West Va.

Commissioner Crichton of West Virginia has issued a ruling allowing the use of three endorsements to the West Virginia standard automobile liability policy.

The endorsements are those providing for converting coverage from an "accidental" basis to an "occurrence" basis; extending policy period, territory, purposes of use of the standard policy to cover use of the automobile anywhere within North America and any territory or possession of the United States, and an extension of the time period under which the assured must notify the company of any newly acquired automobile from 30 days to any time within the policy period.

The department bulletin notes that before any of the extensions may be used they must be submitted to the department for approval and adds that the endorsements may be restricted to any large class so long as restriction can be shown to be not unfairly discriminatory. If the endorsements are to be used without an extra premium charge they must be attached to all policies within the same class, and if an extra charge is made the department must give fire approval.

Suggestion Awards Given

Ellis H. Carson, president of National Surety, presented awards recently to the three winners for the best suggestions made during the year by employes. Fire prize of $150 was given to Fred DeRosa of the law department. Henriette Bourdonnet, contract department, won $100, and William Faust, marine underwriting department, received a $50 award.

Gold pins, denoting years of service, were given to 183 employes who have been with the company 10 years and 15 employes received 20-year pins.

No Action on Air School Cover

ST. PAUL—Because only one operator and three insurers were represented at the first hearing, the state department of aeronautics has not decided whether it should revoke a rule requiring all flight school operators in Minnesota to carry liability and property damage insurance. Another hearing will be held either late this month or early in August. One of the points raised is that considerable of this insurance is being written by companies not licensed in Minnesota and this raises the question whether the entire matter is not one for the insurance department rather than the aeronautics department.

INSURANCE NEWS BY SECTIONS

IN THE SOUTHERN STATES

Poll Virginia Agents on Value of Assn. Activities

Officers of Virginia Assn. of Insurance Agents have sent members a booklet, each sheet of which calls for an opinion vote on the important activities being conducted by the association and the opinion of the manner in which the association is carrying on the activities.

The members can indicate their opinion as to whether the association activity is important, fairly important or unimportant, and whether the manner of performance by the association is excellent, adequate or poor. The booklet is to be returned without a signature.

Activities on which members are requested to express opinions include membership relations, publicity and public relations, bank-agent auto plan, assigned risks and financial responsibility, agents licensing laws, local boards, group life insurance for members, research, association office, solicitors' licenses, surplus line and unlicensed companies.

The officers are attempting to get a candid opinion of the membership so that policies can be formulated on the basis of the thinking of the agents. In order to get a better interpretation of survey results, the agent is requested to indicate whether his office is individually owned, is a partnership or a corporation.

Question Basis for E. C. Rate Reduction in N. C.

RALEIGH, N. C.—Whether North Carolina rates on the extended coverage endorsement should be based on North Carolina experience is a question which Commissioner Cheek is pondering following a hearing on proposed rate reductions.

North Carolina Fire Insurance Rating Bureau proposed an average reduction of 15%. Landon Hill, bureau manager, said this was based on a formula in which North Carolina experience was given a weight of 50%, national experience 25%, and experience in the southeast states 25%.

If the rate reduction was based on North Carolina experience alone, Mr. Hill said, a reduction of approximately 45% would be indicated, on a 50-50 basis. R. S. Brantley, fire rate specialist for the North Carolina department, asked what rate would be indicated, on the 50-50 basis, with an additional loading of 5% for the catastrophe pool. Mr. Hill replied that then a reduction of 39.7% would be in order.

In presenting his filing, Mr. Hill said that North Carolina experience of stock companies for 1940-48 showed $11,394,179 premiums written on an adjusted basis, $8,187,157 premiums earned, $2,189,150 losses paid, and $2,223,792 losses incurred. Mutual experience was not available.

The adjusted loss ratio on an earned and incurred basis was 27.15 and on a written and paid basis 16.74.

Agents Want Broader Coverage

National and southeastern experience was considered in computing the new rate schedule because, "due to the small amount of premiums written in North Carolina on the extended coverage endorsement, it is just not fair to confine rates to experience in North Carolina alone," Mr. Hill declared.

Mr. Hill said in reply to a question from S. G. Otstot of Raleigh, executive secretary of North Carolina Association of Insurance Agents, the bureau is not yet ready with a filing to broaden coverage of the endorsement. Such a step is under consideration, he said, but it has not yet been worked out.

L. E. Woodbury of Wilmington, president of the agents' association, urged the bureau to consider giving a special rate to the beaches and lowering rates in some cities and towns now under the seacoast rate, some of which, he pointed out, are 50 miles or more inland.

Membership Drive in Tenn.

Expecting to reach a goal of 200 new members by Oct. 26, Tennessee Assn. of Insurance Agents has added 143 during the present convention year, a membership increase of 45%, according to George L. Goss, secretary-manager.

Va. Leaders to Hear Cahill

Officers and directors of Virginia Assn. of Insurance Agents will meet Aug. 11 at Old Point Comfort. This will be the first board meeting of the fiscal year. James M. Cahill, secretary of the National Bureau of Casualty Underwriters, will attend and explain filings made with the state corporation commission on which hearing will be held in the near future.

Standard of Tulsa has completed its move into new quarters in the First National Bank building. Its old offices were in the National Bank of Tulsa building.

E. K. Rice, Paris, Ky., local agent, who has been secretary of the Rotary Club there for 15 years, was presented a julep cup by the club in recognition of his long service.

Insurance Women of San Antonio heard Parker Southern, J. R. Crockett, stationery, speak on "Office Etiquette."

MIDDLE WEST

Appeal on Minn. Surcharge But No Hearing Till Oct.

ST. PAUL—After several months delay, the decision of the district court here voiding the 2% surcharge on fire premiums has been appealed to the state supreme court. The court, however, is recessed for the summer vacation so it will be October or later before arguments can be heard on the case. The action was started more than two years ago by Kenneth Hassler, a policyholder, against the insurance commissioner, Travelers and its agent at St. Paul, L. D. Engberg. The lower court found the surcharge discriminatory and in other ways a violation of state laws. The proceeds of the surcharge have gone to firemen's relief associations in four of the largest cities in the state.

Safe Driving Moves O.K.d

FOND DU LAC, Wis.—Judge H. W. McEssy of the municipal court, speaker at a dinner meeting of the Fond du Lac Board, endorsed the Wisconsin Association safe driving projects and the state essay contest for high school students through local boards.

Open Eastern Mich. Office

American of Newark officially opened its new service office for eastern Michigan in Flint at an open house session. Ray Jennings, state agent formerly operating out of Lansing office, who will have charge of the Flint office, was host to about 50 agents, mainly from Flint and Saginaw. Also present were I. G. Cox, field supervisor, and John Littja, casualty manager, both from the western department office at Rockford.

The Lansing office will be continued with F. M. Pierson, state agent for western Michigan, in charge, assisted by Eugene Martineau, special agent.

Husseys Get Century Ind.

Hussey & Hussey, Topeka general agents, have been named Kansas general agents for Century Indemnity. They also represent Standard Fire of the same group.

OK Mutual Auto Plan in Mich.

The new automobile classification plan of Mutual Insurance Rating Bureau has been put in effect in Michigan, the 27th state in which the system has been adopted.

The plan calls for higher rates for individually owned cars where an operator of 25 years of age or under is a resident of the insured's household, but there is a reduction for some insured as a result of elimination of the mileage factor from the classification procedure.

Open N. W. Iowa Service Office

Hawkeye-Security of Des Moines has opened a northwestern Iowa service office at Storm Lake, Ia. Dean Harris, who has traveled that territory, is in charge of the office. He has been with the company since 1934, except for military service.

Cliff A. Tozier, president of Kansas City (Kan.) Assn. of Insurance Agents, headed a group of Boy Scout leaders from the Kaw council there who acted as scoutmasters for the recent Boy Scout Jamboree at Valley Forge.

L. W. Willis, Abilene, Kas., local agent, is president of the chamber of commerce there.

Arthur H. Treutel, local agent at Wisconsin Rapids, Wis., is a candidate for the Democratic nomination for the legislature.

The W. L. Hamilton & Associates agency, **Topeka,** has been incorporated as Hamilton-Van Arsdale, Inc., to include G. R. Van Arsdale, who joined the firm in 1945 following his retirement from the navy.

M. R. Blecha of **Arkansas City, Kan.,** has purchased the agency of the late Walter Colvin and will operate as Colvin-Blecha agency.

Glen Henderson has joined the **Forsyth-Cain agency** of Springfield, Ill.

Harry G. Beare, local agent at **Milan, O.,** is taking his father, R. N. Beare, into partnership with him. The elder Mr. Beare is retiring from the Miller & Beare agency at Sandusky.

Mrs. Martha A. Pressler has sold her agency at **Montpelier, O.,** to Harold W. Dean.

COAST

Management Institute Held in Cal.; 65 Graduate

Sixty-five students completed the Institute for Advanced Agency Management at Palo Alto, Cal., sponsored jointly by California Assn. of Insurance Agents and Stanford University. Laurence J. Ackerman, dean of University of Connecticut, served as coordinator. The program was arranged by Laurence P. Canfield, chairman of the association's educational committee.

Sponsor $1,000 Safety Prize

PORTLAND, Ore.—National Fire Protection Assn. has announced a $1,000 prize contest sponsored by the Portland general agency of Durham & Bates, members of the association.

Prizes are offered for the best description of methods to provide ventilation to reduce losses from fire and smoke in a basement fire at a typical mercantile store. The contest will close Nov. 1.

Plan Five Classes at L. A.

Five classes in insurance are to be opened in downtown Los Angeles by University of California extension the week of Sept. 11. Walter W. Bennett will instruct courses in general insurance and advanced fire and casualty insurance; Stanford Bissel, life insurance, and Carl M. Molitor, fire insurance tariff rating. The fifth class will be in inland marine insurance.

Board Inspects 125 Cities

Pacific Board's engineering staff inspected 125 Pacific Coast cities of 25,000 population or less the past year, according to Loren S. Bush, chief engineer. Forty of them had never been graded previously.

A new method of grading, which was developed by the board, was used in 65 of the cities, and new boundary maps were prepared for 67.

Reactivate Blanket Club

The Portland (Ore.) Blanket Club has been reactivated with a charter membership of 35. David W. Hansen was chosen president; Joseph H. Smith, vice-president; Paul H. MacCaskill, secretary, and Robert W. Schmeer Jr., treasurer.

Daly Agency Honored

At a banquet at Denver, Standard Accident honored the Daly general agency on its 25 years of representation. In attendance were officials from the home office including E. A. Warnica, vice-president, and T. L. Sedwick, executive secretary, and officers of the agency including Fred Lanagan, president, and Clarence Daly, chairman.

1949 Mont. Fire Record Given

HELENA—Fire losses in Montana in 1949 totaled $1,734,577 on buildings and contents in 645 fires. This is the second highest figure on record. Cigarettes are given as the cause of 60 fires.

So. Cal. G. A. B. Men Meet

Ten southern California branch managers of General Adjustment Bureau attended a meeting conducted by Harry J. Boyle, Pacific Coast general manager, at Los Angeles. This meeting was the first of a series to be held by the Pacific Coast department at various points in the territory.

Plans Los Angeles Building

Northwestern Mutual Fire plans to construct a new office building in the Wilshire boulevard section of Los Angeles. Construction will start in September, with completion scheduled for April, 1951.

Groninger Gets Houston F. & C.

Houston Fire & Casualty has appointed Groninger & Co., Seattle, as general agents in Washington and Idaho.

A five-man committee has been appointed by the chamber of commerce of **Great Falls, Mont.,** to attempt to work out a plan similar to that accomplished at Billings whereby the city will receive a lower fire insurance rate classification.

Robert A. Nathan, Jr., formerly a partner in the West & Nathan agency at Walla Walla, has gone to **Kellogg, Ida.,** as manager of Kellogg Insurance & Investment Co.

Charles S. Stafford has been named manager of the Ladd agency, **Portland, Ore.** He was formerly with Northwestern Mutual fire underwriter, General Casualty adjusting, and D. K. MacDonald & Co., brokers, in production work.

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